Saskatchewan
Rural
Development

Options for Rural Law Reform

Report of the Minister's Committee on Rural Law Reform
August, 1986

Saskatchewan

87-01672/

Sept. 12, 1986

Honourable Neal Hardy
Minister of Rural Development
Room 204
Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Mr. Hardy:

We have the honour to submit the report of the Rural Law Review Committee on statutes pertaining to rural municipalities.

The recommendations of the committee, in this report are based on briefs and submissions received at twelve area meetings from rural municipal councils, administrators and residents. Two mail surveys were conducted by the committee in addition to the evaluation sheet completed at the meeting to ascertain problems and develop acceptable solutions to those problems. The committee wishes to acknowledge the co-operation and support of the Executive of the Saskatchewan Association of Rural Municipalities and the Rural Municipal Administrator's Association in developing the recommendations.

The committee found rural representatives believe the basic concepts of most existing rural municipal legislation should not be altered but the legislation requires clarification and pruning of obsolete provisions.

Other statutory provisions should be amended to enhance administration and to alter existing procedures. While a significant change has been recommended in the method of determining residential taxation exemptions, the effect of the change in terms of a taxation shift should not be significant. The committee believes this change, due to blurring of the traditional urban/rural differences, is essential for many rural municipalities now and as this trend continues, will be required for other rural municipalities.

Respectfully submitted,

John Marusiak, Chairman

G. L. Parrott, Vice-Chairman

George Gadenir, Member

Jerome Doll, Member

Bill Street, Member (S.A.R.M.)

Jim Angus, Member (R.M.A.A.)

Report of Rural Law Review Committee

TABLE OF CONTENTS

Letter of Transmittal

Committee Terms of Reference

Committee Review Process

Recommendations pertaining to: The Department of Agriculture
The Department of Education
The Department of Health
The Department of Parks & Renewable Resources
The Department of Urban Affairs

Recommendations pertaining to: Municipal Seed Grain & Supply Act
Stray Animals Act
Stray Animals Act (Lawful Fences)
Tax Enforcement Act

Recommendations pertaining the The Rural Municipality Act
Major Recommendations
Minor Recommendations
Other Changes

Summary of Recommendations

Appendix: Initial Questionnaire Summary
Area Meeting Evaluation Summary
Final Questionnaire Summary

O R D E R

RURAL LAW REVIEW COMMITTEE

Under the authority vested in me by Sections 12 and 24 of The Department of Rural Development Act, 1983, Chapter D-22.2, I, Louis A. Domotor, Minister of Rural Development, hereby appoint the undermentioned persons as members of the Rural Law Review Committee.

1. Mr. John Marusiak of Regina, Chairman of the committee.

2. Mr. Gerald Parrott of Regina, Vice Chairman, representing the Department of Rural Development.

3. Mr. W. G. (Bill) Street of Stoney Beach, representing the Saskatchewan Association of Rural Municipalities.

4. Mr. James A. Angus of Harris, representing the Rural Municipal Administrators' Association.

5. Mr. George Godenir of Antler, representing Southern Municipal Officials.

6. Mr. Jerome Doll Sr. of Middle Lake, representing Northern Municipal Officials.

I ALSO ORDER:

1. That the members appointed above, except the chairman and vice chairman, shall be allowed a sum of $60 per day for each day spent in proceeding to and from and attending meetings of the Rural Law Review Committee and all members appointed above shall be entitled to expenses for travel, sustenance and accommodation according to the tariff of rates approved under The Public Service Act for employees in the public service.

2. The terms of reference for the committee shall be as follows:

    1. To study existing statutes which have reference to the rural municipal system of Saskatchewan.

    2. To investigate and make recommendations to the Minister of Rural Development regarding the consolidation and updating of existing statutes and such other matters as the Minister may direct.

    3. To prepare a draft of a new Rural Municipality Act, with the changes recommended by the committee.

Dated at the City of Regina this 26th day of August, 1985.

Louis A. Domotor

Louis A. Domotor
Minister of Rural Development

Committee Review Process

The Committee, in reviewing its mandate, realized it was necessary to hear the issues and concerns of rural residents and to develop a broad base of acceptance for suggested legislative amendments. While the one year time frame for the committee was somewhat restrictive, it compelled development of a process of "striking while the iron was hot". Consequently, the committee's initial circular which was designed to develop interest and suggestions also served to indicate legislative provisions which rural municipal councils did not want changed. The executive members of both the Saskatchewan Association of Rural Municipalities and the Rural Municipal Administrators Association gave strong support to the committee and urged their members not only to identify problems but to suggest changes in legislation.

During the last two weeks of January and February of 1986, meetings were held in Carlyle, Weyburn, Moose Jaw,/ Shaunavon, Swift Current, Kindersley,/ North Battleford, Prince Albert, Saskatoon,/ Tisdale, Wynyard and Melville. During the meetings, members of the committee suggested various alternatives and procedures. Briefs and suggestions were received from municipal officials and residents. The proposals made by the committee were later printed in the S.A.R.M. Councillor magazine. All persons attending the meetings were asked to complete an evaluation report on the various topics discussed at the meeting. Other briefs and suggestions were received by the chairman during the review period.

The response to many of the committees proposals clearly supported or rejected the proposal. As the response to other proposals was not that decisive, to ensure these proposals were agreeable, a final questionnaire was mailed to all members of rural councils.

When the committee's interim report was drafted it was discussed with the executive of the Saskatchewan Association of Rural Municipalities. Consequently, the committee believes their recommendations are substantially supported by individual members of rural municipal councils and their association.

The committee desires to thank all the persons who contributed suggestions and comments and otherwise assisted in this project.

Department of Agriculture

Protection of Sheep

Background

The Dog Licensing and Sheep Protection Act was enacted many years ago. It provides authority for municipalities to license dogs and requires municipalities to pay compensation for one half the damages to sheep caused by dogs.

Problem

The authority for licensing dogs is also contained in The Rural Municipality Act. Compensation for damages to animals other than sheep, caused by dogs, is recoverable from the owners of the dogs under The Animal Protection Act. As it sometimes is difficult to determine the owners of the dogs that caused the injury, owners of sheep are in a preferred position to collect damages caused by dogs.

Alternatives

Regardless of the decision on compensation, this special statute is not required as the compensation provision could be transferred into the Rural Municipality Act. Consequently, the alternatives are:

A Retain the municipality responsibility for compensation for damages to sheep and include this provision in The Rural Municipality Act, or

B Transfer the responsibility for damages to sheep from the municipality to the owners of dogs by amending The Animal Protection Act to include sheep

and in both alternatives repeal The Dog Licensing and Sheep Protection Act.

Recommendation No. 1

Repeal The Dog Licensing and Sheep Protection Act and amend The Animal Protection Act to include sheep.

Department of Agriculture

Purchase of Weed Control Chemicals

Background

The authority for council to control noxious weeds is under The Noxious Weeds Act, but the authority of rural municipalities to purchase chemicals is contained in section 199 of The Rural Municipality Act.

Problem

There is some justification for retaining within the municipal statute authority for council to purchase chemicals for resale. It is also reasonable to transfer such provisions to The Noxious Weed Act to ensure both provisions are complementary.

Alternatives

A Transfer the authority for purchase of weed control chemicals to The Noxious Weeds Act

B Retain the existing provision

Recommendation No. 2

The Rural Law Review Committee recommends Alternative "A"

Department of Agriculture

Control of Gophers

Background

Prior to enactment of The Pest Control Act, a provision was enacted, similar to section 198 of The Rural Municipality Act, which provided authority for council to enact a bylaw compelling owners of land to control gophers on their land. If the owner fails to comply with the provisions of the bylaw, council may have the work done with the costs, to a maximum of $1.50 per acre, added to the taxes.

Problem

The provisions are similar to those in The Pest Control Act. Most rural municipal officials believe gophers (Richardson ground squirrel) are a pest and they appear to erroneously believe that the legislative authority to control gophers is in The Pest Control Act.

Alternatives

A Continue the provisions in the existing statutes

B Place control of all pests under The Rural Municipality Act, or

C Transfer the control of gophers from section 198 of The Rural Municipality Act to The Pest Control Act.

Recommendation No. 3

The committee recommends the legislation for control of gophers be transferred to The Pest Control Act.

Department of Education

Taxation Exemption Bylaws

Background

All municipal councils for many years have had the authority to exempt any property from taxation for the current year. Additionally, urban municipalities may exempt property for a five year period subject to an agreement and similar authority is being proposed for rural municipalities.

Problem

The legislation to exempt property from taxation gives council the authority to correct apparent inequities in statutory provisions. It permits council to provide relief from taxation where council believes the assessed value of the property is too high or where a building which is used for community purposes is not exempt from taxation.

Recently, some urban municipalities have used this authority to exempt business assessments in their municipality. Taxes levied for municipal purposes are thus diverted to other property within the municipality and council must justify this decision to their taxpayers. Taxes levied for school purposes are diverted to other taxpayers in the school division and then through the grant structure to other taxpayers in the province. Council does not have to justify their decision to these other taxpayers.

Alternatives

The alternatives to this problem are:

A Remove this statutory authority which would prevent council from resolving local taxation concerns and likely result in requests for legislative changes to address these concerns.

B Provide for school division or provincial approval of tax exemption bylaws which diminishes the local autonomy of councils.

C Require school divisions to requisition the amount of money from taxing municipalities on a prorata basis of the total taxable assessments of the school division plus any amounts exempted by municipal bylaw. The requisition method would require each municipality to fix a mill rate for school purposes and only amounts collected on this levy would be payable to the school division.

D Retain existing provisions until the problem develops to significant proportions that require remedial legislation.

Recommendation No. 4

The committee recommends adoption of alternative "D" and alternative "C" if and when it becomes necessary to take remedial action.

Department of Health

Union Hospital Act

Background

Municipalities are required, pursuant to this statute, to collect taxes requisitioned to finance operations of union hospitals. The Minister of Rural Development must countersign and register all union hospital debentures. Presumably, this requirement was transferred from the Minister of Municipal Affairs when that department was split. At that time, that department maintained a register of all municipal debentures. The only record of rural municipality debentures is kept in the municipal office.

Problems

Municipal administrators are required to impose a special levy for union hospital taxes unless the entire rural municipality is within one union hospital district. This is to ensure taxpayers are only taxed for the operations of their hospital.

Section 54 of this statute requires all collections of union hospital taxes be deposited in a special trust bank account although municipalities are required to pay the entire requisition whether or not that amount has been collected. This provision has no practical use and there is little if any compliance with it.

While the requirement for debentures to finance construction of union hospitals resides with the Department of Health and the authority to issue them with the Local Government Board, the Minister of Rural Development must countersign the debentures and maintain a register of these debentures.

Alternatives

A Retain existing provisions.

B Amend The Union Hospital Act as indicated below:

1 Until the requirement for union hospital requisitions is dispensed with, the committee recommends no change be made in the requirements for special levies when the municipality is situated in two or more union hospital districts.

2 That section 54 of The Union Hospital Act be amended to delete the requirement of a special bank account for depositing collections of union hospital taxes.

3 That the responsibility for countersigning and registering union hospital debentures be transferred to the Minister of Health or the chairman of the Local Government Board.

Recommendation No. 5

Amend The Union Hospital Act as indicated in Alternative B.

Department of Parks & Renewable Resources

Regional Parks

Background

Regional parks are formed pursuant to an agreement of several municipalities which appoint persons to represent the municipality on the board of this corporation. Regional parks are excluded from the rural or urban municipality in which they are situated.

Problems

Two problems arise from the exclusion of regional parks from municipalities.

Taxation

Many regional parks are situated adjacent to or in the proximity of private resort developments. Consequently, many people compare the costs of situating private residences within a regional park or in a private resort development.

Firstly, the annual lease fee for the property on which to situate the residence is minimal within a regional park as compared to leasing private property. As leases of private property are generally not available, a partially serviced resort lot must be purchased for approximately the same amount as a serviced lot in a town.

Secondly, when a residence has been constructed, it is annually taxed for about $800 if it is situated outside a regional park. Consequently, resort property owners and municipal councils believe it is not fair that private residences in regional parks are not subject to municipal and school taxation.

Control of Roads

Regional parks are described by listing land registration descriptions of the various parcels of land. Consequently, only these parcels are excluded from the municipality as being in the regional park. Road allowances and registered surveys of roads thus remain within the municipality and under the jurisdiction of council. Park roads are not necessarily constructed on a road allowance or on a registered road plan location. To ascertain which party's bylaws apply or which may be liable for an accident on a "park" road is dependent on whether it is situated within the park or the municipality. Pursuant to The Parks Act, municipalities must obtain the consent of the park board to construct a road within the outer boundaries of a park.

Alternatives

The only alternatives other than maintaining the existing situation are as follows:

A Alter the description of regional parks to include all roads between and adjacent to property owned by the regional park authority and require regional park authorities to collect lease fees or levy taxes on private residences equivalent to the taxes in the municipality in which it is situated. The disadvantages to this alternative are the duplication of administration procedures existing in the municipality and increased provincial control on park finances.

B Remove exclusion provisions in The Rural Municipality Act and The Urban Municipality Act, 1984. The disadvantage of this alternative is it makes the municipality responsible for construction of roads within the park and it removes a source of potential revenue from park finances.

Recommendation No. 6

Amend The Rural Municipality Act and The Urban Municipality Act, 1984 to achieve the following:

- remove the exclusion of regional parks from the municipality
- provide for all property owned and not leased by the regional park to be exempt from taxation
- provide for the municipality to transfer school and similar taxes collected on private or leased property in the regional park to the appropriate authority
- provide for the municipality to transfer municipal taxes collected, less the costs of collecting these amounts, on private or leased property in the regional park to the regional park authority in lieu of constructing roads and providing other services in the park.

81% of the responses on the final survey agreed with this concept.

Department of Urban Affairs

Ward Elections in Large Resort Villages

Background

All rural municipalities have divisional or ward representation on council. While a similar provision exists for cities, aldermen in towns, villages and resort villages are elected at large.

Due to the small area of most towns, villages and resort villages, representation by wards is neither necessary nor desirable. However, the boundaries of some resort villages, such as the resort village of Candle Lake, contain a large area of land, and different areas within the resort village are not represented on council. The Working Committee on Resort Communities, established by Saskatchewan Urban Affairs, recommended divisional representation on council in large resort villages.

Problem

The Rural Municipality of Lakeland No. 521 was established in 1977 pending a decision as to whether or not to enact special legislation for resort municipalities. This municipality is urban in nature, except in respect to its area. There is little, if any, farm land and most, if not all, buildings are taxable.

Council has expressed a desire to stop formation of organized hamlets, special statutory provisions to permit summer elections, retention of divisional representation on council, and changes in grant funding including a per capita grant for all permanent residents. All of these objectives could be achieved by reorganizing this rural municipality as a resort village assuming that legislation permitted ward representation on council.

Alternatives

A Enactment of a special statute for resort municipalities. It would be difficult to justify the consequential changes required to other statutes, and to grant formulas due to the small number of resort municipalities.

B Special provisions for summer elections in The Rural Municipality Act. This would be difficult to justify for one municipality and then have it out of synchronization with the other 298 rural municipalities. Additionally, this would not prevent formation of organized hamlets or the desired changes in the grant formula.

C Provision of ward representation in The Urban Municipality Act, 1984, for resort villages, and in The Rural Municipality Act for resort hamlets that encompass large areas.

Recommendation No. 7

Provision for ward representation in urban resort areas as suggested by the Working Committee on Resort Communities.

Municipal Seed Grain and Supply Act

Background

After rural municipalities were organized, the legislature provided authority for them to finance farm operations during periods when farmers could not obtain credit on their own resources. Basically, The Municipal Seed Grain and Supply Act permits municipalities to give a voucher to farmers for specified amounts of seed grain, fuel oil or other farming supplies. The municipality then pays these bills and sets them up as an account receivable from the farmers. The municipal advance may be partially guaranteed by the province.

Problem

The use of vouchers to obtain supplies was abandoned for welfare recipients many years ago. Farming supplies now are so expensive that municipalities would likely be reluctant to guarantee advances unless only a small portion of the farmers required these advances. Provincial programs to a large extent have eliminated the need for such legislation and the provisions of this statute have not been used for twenty years.

Alternatives

A Revise the statute to recognize modern farm practices, costs and current financing arrangements.

B Repeal the statute as it is no longer required.

Recommendation No. 8

That The Municipal Seed Grain and Supply Act be repealed as The Department of Agriculture's Counselling and Assistance Program provides guarantees of farm operating credit.

The Stray Animals Act

Background

This statute, enacted in 1977, reversed previous provisions that permitted animals to run at large unless prohibited by the municipality. Under existing legislation, animals may not run at large unless a municipal bylaw grants this permission during specified periods.

Problems

Of the number of housekeeping amendments required to the statute, the most significant replaces the term "fees and charges" with the word "fees" to clarify this term does not mean crop damages can be collected through impoundment procedures. The impoundment procedures should be clarified. As it is not an offence to "steal" your animals that have been impounded, a poundkeeper could be responsible for an animal removed by its owner. As damages caused by animals legally running at large cannot be collected from the owner of the animals, property owners are required to fence off crops such as winter wheat. To prevent liability claims, property owners are also required to fence off dugouts and wells.

Alternatives

A Retain existing provisions.

B Amend the statute to:

1 Delete the reference to "fees and charges",

2 Make it an offence to remove animals from a pound without the consent of the poundkeeper;

3 Permit collection of property damages from the owner of animals whether or not the animals are running at large, and

4 Eliminate the liability of property owners for damages to animals straying on his property whether or not the animals are running at large.

Recommendation No. 9

Amend this statute as indicated in Alternative B.

Lawful Fences and Line Fences

Background

Under the provisions of The Line Fence Act, a fence, along the boundary between two parcels of land, may be erected by the owner or occupier of either parcel at his expense. When the owner or occupier of the other parcel receives any benefit from the "line fence", he must pay the owner or occupier a fair amount for the value of the fence and both owners must equally share the cost of maintaining the line fence. The provisions of this statute appear to apply only to fences erected on a boundary line.

Regulations, pursuant to The Stray Animals Act, in addition to prescribing the structural requirements for a "lawful fence" to restrain animals, also prescribes that a lawful fence "surrounding crops" must be situated at least 8 feet (2.5 metres) from the growing crop. As there is no prohibition to prevent an adjacent land owner from seeding to the property line, to maintain a lawful fence it would have to be erected eight feet from the property line.

Problem

To legally restrain animals on your property, a lawful fence must be maintained. In practice this means a lawful fence would not be a line fence. It may also mean erection of two lawful fences could be required, that were parallel to each other but with a sixteen foot median area.

Alternatives

A Retain the existing lawful fence provisions modified to mean a fence "surrounding the animals" rather than the crop, and to require the person keeping the animals to maintain the fence at his expense.

B Amend The Stray Animals Act to prohibit planting a crop within eight feet of a line fence being used as a lawful fence.

C Amend The Line Fence Act to extend the provisions of this statute to any fence erected parallel to and within ten feet of the boundary between two parcels of land.

Recommendation No. 10

The committee believes the cost of maintaining a fence used to keep animals on their owners' property should be entirely borne by the owner of the animals. The committee also believe planting of crops adjacent to line fences used as a lawful fence should be prohibited. Consequently, the committee recommends implementation of alternative "A" by amending:

A The Stray Animals Act to prohibit the cultivation of crops within four feet of a line fence being used as a lawful fence, and

B The Line Fence Act to remove the requirement for an owner or occupier to maintain a line fence if he does not obtain benefit from the fence by pasturing animals on his property adjacent to the line fence.

The Tax Enforcement Act

Background

This statute, while virtually unchanged since its enactment about forty years ago, is the major method of enforcing payment of taxes. Basically, it permits municipalities to:

A register a tax lien against the certificate of title

B after at least one year commence application for the involuntary transfer of the title to the municipality by giving the owner and other interested parties a six month notice of intention to apply for title.

C after the six month period and after obtaining the consent of the Provincial Mediation Board, which could be after two or more years, give a final thirty day notice to the owner and other interested parties

D if the arrears of taxes have not been paid prior to or within the thirty day period, request the Land Titles Office to issue a new title in the name of the municipality.

NOTE: If the property has little value, under subsection 26(2), point (c) may be deleted.

Problems

A number of housekeeping amendments are required due to amended legislation and for clarification. Due to implementation of the new assessment base, an amendment to the assessed value noted in subsection 26(2) requires revision. Proposed changes to resolve those problems are as follows:

A Alter references to correspond with The Urban Municipality Act, 1984, The Northern Municipalities Act, The Education Act and the proposed new Rural Municipality Act

B Revise provisions permitting council to exempt land from registration of a tax lien that does not have arrears of more than one half a year's levy.

C Clarify that a tax lien is applicable to all arrears of taxes whether levied prior or subsequent to registration of that tax lien.

D Enlarge section 18 to prevent an owner from vandalizing property, title to which is being acquired under this statute.

E Increase amounts payable for legal costs to obtain title by at least ten times.

F Increase maximum assessed value limits in subsection 26(2) from $250 to $500 to determine property of little value.

G Revise procedures for disposing of acquired land to prevent property from being leased by the municipality without paying out the other taxing authorities.

Members of council are prohibited from purchasing land acquired under this statute presumably to prevent them from having an unfair advantage. This may prevent the municipality from obtaining the best price.

Recommendation No. 11

The proposed housekeeping amendments be made and members of council be permitted to purchase tax title property when sold by public auction.

Responsibility for Road Through Indian Reserves

Background

Rural municipal boundaries are established by minister's orders listing the legal descriptions of the townships entirely or partially in the municipality. Section 14 of The Rural Municipality Act provides that roads adjacent to land in a rural municipality are part of a rural municipality. Section 5 prescribes that urban municipalities, parks and Indian reserves are not part of the rural municipality. Urban municipalities are described with a distinct outer boundary. This outer boundary marks the urban municipalities jurisdiction for roads.

Problem

Parks are generally described by listing the townships, sections and parcels of land but no outer boundary is described. While the sections listed are excluded from the municipality, the road allowances between the sections and the surveyed roads through the sections are not similarily excluded and remain under the jurisdiction of the municipality. Generally, road allowances in provincial parks do not cause problems but roads within regional parks have caused jurisdiction problems. The enactment of The Parks Act has not clarified this jurisdictional problem and recommendation number 5 pertains to this matter.

Generally there are no road allowances surveyed in Indian reserves. There are a number of roads surveyed through Indian reserves for provincial highways, grid and farm access roads. While legal surveys have been registered for the grid and farm access roads, the land for some of the roads has been retained by the federal government as part of the Indian reserves. The land for the other roads was removed from the Indian reserve and transferred to the province. Where this land has been removed from the Indian reserve, it becomes a part of the rural municipality under existing legislation.

The roads through Indian reserves were constructed under a provincial-federal agreement. A maintenance grant is paid by the province on these roads to the federal government under another agreement. Rural municipalities that did not contribute to the construction or maintenance of these transferred roads are now responsible for their maintenance and liable for damages caused by the non maintenance of these roads.

Alternatives

A Transfer the land on these roads back to the federal government as part of the Indian reserve. The province desired transfer of the land in all of these roads to ensure provincial control of traffic along the road. Only the reluctance of Indian bands to transfer this land has delayed the complete transfer of all surveyed roads. Alternative "A" would surrender this control.

B Remove transferred roads through Indian reserves from the municipality by amending section 5 of The Rural Municipality Act. This would place the jurisdiction of these roads under the province and presumably the Department of Highways.

Recommendation No. 12

The committee recommends Alternative "B" be implemented and section 5 be amended to deem roads transferred out of the Indian reserve not to be part of a rural municipality.

Municipal Organization

Background

Most of the provisions from section 6 to section 19 of The Rural Municipality Act pertaining to organization of rural municipalities are predicated on forming new rural municipalities from Local Improvement Districts and other unorganized areas.

Problem

There are no Local Improvement Districts and it is extremely unlikely new rural municipalities will be developed in The Northern Municipal Services Area. These organizational provisions should be redrafted to eliminate references to Local Improvement Districts and first elections. The committee recognizes alterations to existing boundaries will continue and two or more rural municipalities may wish to form one municipal unit. These changes can proceed by amalgamation or annexation.

Recommendation No. 13

As the latter term has the connotation of being originated at the local government level, the committee recommends that all changes to municipal boundaries be referred to as annexations.

Variable Mill Rates

Background

Organized hamlets, established pursuant to section 20, are unincorporated communities and thus are a half step between a village and a tiny residential community. From 40 to 75 percent of the tax levy for municipal purposes is placed in a municipal reserve along with the revenue sharing grant paid on behalf of organized hamlets. The board of the organized hamlet authorizes expenditures for municipal services to the hamlet out of this reserve. As hamlet boards presently may request additional special levies, authority for a variable hamlet mill rate is authority for a lower mill rate than is applicable to farm property.

Problems

As many small organized hamlets require few if any municipal services, the reserves for these organized hamlets continue to accummulate. Hamlet board suggestions to expend these funds have included installation of a satellite dish for television and refunds of natural gas installation costs. Other boards desire reduced taxes.

The Organized Hamlet Board Committee recommended adjustment of the fixed amount plus per capita revenue sharing grant formula to one recognizing reduced service requirements in small hamlets and villages. The availability of this grant increases the number of hamlets requesting organized hamlet status and to the accumulation of funds in the hamlet reserve.

The problem has been compounded by the dramatic proportional increase in residential and especially residential resort property assessments under the new assessment manual as compared to farm land assessments. Additionally, as generally hamlet property is only a small component of the total assessment of the rural municipality, the increase in hamlet taxation is a multiple of the hamlet assessment increase. Villages and resort villages are able to escape the increase in taxation for municipal purposes by reducing the urban municipal mill rate. Hamlet mill rates are fixed by the rural municipal council for the entire rural municipality.

The desire for lower municipal mill rates increases the number of organized hamlets requesting incorporation as villages and resort villages.

Some rural municipal councils requested authority to place a lower municipal mill rate on organized hamlets. Other councils reject the concept of a lower mill rate than is applicable on farm land.

The Rural Municipality of North Qu'Appelle No. 187 is exceptional in regards to large hamlet subdivisions situated adjacent to the lakes dividing the municipality. If these hamlets became villages, it is possible the divided rural parts would have to be annexed by the adjacent rural municipalities. The brief from this municipality recommended formation of urban divisions and rural divisions in the municipality with a lower mill rate in the urban

divisions. Under council's proposal organized hamlets would not be permitted and the "urban residents" would not be permitted to be incorporated as a village or resort village.

Alternatives

A Retention of universal municipal mill rates in rural municipalities. This alternative will encourage additional hamlets to request incorporation as villages or resort villages. The committee, while recognizing the desire for local autonomy, believes some of these communities may be too small to be economically viable as an independent unit. If they are incorporated as a village, they may have to revert to hamlet status. Additionally, this alternative does nothing for the smaller organized and unorganized hamlets that do not meet village or resort village criteria.

B Formation of urban divisions with autnority for lower mill rates but prohibiting incorporation of urban areas as urban municipalities. Existing provisions permit formation of "urban" divisions if requested by council. Limiting or prohibiting incorporation of urban areas as municipalities not only would remove these residents' right to local autonomy, it could in time place the control of rural areas under urban residents.

C Provision of a mandatory lower municipal mill rate set by the organized hamlet board. While this concept would satisfy most organized hamlet boards, it does nothing for residents of unorganized hamlets and significantly reduces the authority of the council of the rural municipality.

D Provision of optional authority for council to set lower municipal mill rates in organized and unorganized hamlets. While enhancing the authority of council, this alternative would put pressure on council for lower urban mill rates but does not guarantee lower mill rates in hamlets. However, if council does not respond to the desire for lower mill rates in some manner, hamlets have the option to request incorporation as a village or resort village.

Recommendation No. 14

Grant rural municipal councils specific authority to authorize a lower mill rate on all hamlet property.

70% of responses to the final survey concurred with this recommendation.

Conflict of Interest Provision

Background

The Urban Municipality Act, 1984 has five pages pertaining to conflict of interest and disclosure provisions as well as other specific provisions such as tendering to ensure members of council act in good faith. Except for members of joint urban-rural district planning commissions, there are no rural disclosure provisions. Rural conflict of interest provisions are restricted to prohibition of voting on a question in which a councillor has an interest, and a general disqualification as member of council if a person has an interest in a contract with the municipality. This general disqualification provision has exceptions when the interest is generally available to other persons, when the interest is in shares of a company with the contract and in specified circumstances set out in section 27.

Problem

Residents of urban municipalities, especially large urban municipalities are not generally aware of all business enterprises and other interests of members of council. Consequently, members of city council must file a list of their interests to ensure this information is available. Residents may thus ascertain if a member of council has a conflict of interest. The lack of specific rural legislation for this purpose gives rise to questions such as a councillor voting on a contract involving one of his relatives or his friends.

Alternatives

A Adopt rural conflict of interest and disclosure provisions similar to that in The Urban Municiality Act, 1984. While this has the advantage of uniformity in legislation, in practice it may limit the persons willing to accept nomination as a member of a rural council.

B Adopt rural conflict of interest provisions that are stronger than urban provisions to ensure councils are not favoring distant relatives and friends. Defining the word "friends" would be difficult and such provisions could prohibit a majority of a rural municipal council from voting on any contract with a person in the locality.

C Retain existing rural provisions. The advantage of this alternative is that council is not hampered by undue restrictions. If a member of council does not act in good faith voters of a rural municipality will be aware of his actions and can take remedial action through the electoral process.

Recommendation No. 15

The committee recommends alternative "C" be adopted and that existing disqualification exemption provisions for members of council be clarified. The committee also recommends disclosure provisions for joint urban-rural district planning commissions be retained but the rural members file their disclosure information with the urban municipality.

Preparation of Voters' Lists

Background

Municipal administrators are required by section 87 to prepare a voters' list every year from information in the tax roll. Tenants and shareholders of co-operatives and corporations may be placed on the list. During the area meetings, there was almost unanimous support to retain councillor's terms at two years and have them elected in alternative years. Thus, annual elections and annual voters lists are required. Frequently the list is not used due to acclamations and administrators have, for several years, requested dispensing with the requirement for a voters' list.

Problems

Unless the administrator is personally familiar with all municipal taxpayers, it is difficult to prepare the list as the following information is required which is not on the tax roll.

(a) whether the taxpayer is eighteen years of age,
(b) the division in which the taxpayer resides,
(c) whether the taxpayer is legally married,
(d) if married, whether the spouse resides with the taxpayer.

The list must be prepared and certified prior to nomination day, but draws little interest prior to that day. Tenants and shareholders of co-operatives and corporations may be eligible to be placed on the list but as they must initiate this action by September 1 each year, they are generally omitted from the voters' list. When polling is required, they are not on the voters' list and wonder why they were omitted.

If all candidates are elected by acclamation, which frequently occurs in rural municialities, the voters' list is not required. If polling is required to elect a member of council, voters wonder why their name was omitted from the list or placed in the wrong division of the municipality. The list is only a guide for voters, as it is an offence to vote in a division if one is not entitled to vote in that division, whether or not his name is included on the list for that division. Candidates or their agents can challenge any potential voter included in the list and any person who takes the prescribed oath must be allowed to vote whether or not his name is on the voters' list. As some administrators have problems in determining the division in which a person must vote, the committee believes some method to inform voters of the correct division in which they must vote is required.

Alternatives

The alternatives examined by the committee are as follows:

A Retention of the existing provisions. While, from an administration prospective, this alternative is not feasible, it is familiar and some candidates use the voters' list to assist them in contacting voters in their division.

B Enumeration of voters. This alternative was not seriously considered due to the expense of annually enumerating voters.

C Adopting voters' registration form similar to the one used by villages and towns. As these urban municipalities elect their council at large, rather than by wards or divisions, these urban voters are not required to determine the division in which they are required to vote.

D Requiring tax notices to indicate the polling division number in which the taxpayer must vote and designing a voters' registration form to make use of this information.

Recommendations No. 16

It was the conclusion of the committee that indicating the polling division on the tax notice and using a modified registration form similar to the attached sample would be acceptable in most rural municipalities. An additional provision could permit council to authorize preparation of a list of assessed owners with the number of the division in which they must vote if required for candidates and election officials.

69% of the responses on the final survey agreed with this concept.

VOTER'S REGISTRATION
Rural Municipality of _____ No. _____

I, _____ of _____ in the Province of Saskatchewan,
_____, do swear, (or solemnly affirm) that:
(occupation)

1. I am at least eighteen years of age,

(Tick the provision in 2 or 3 that pertains to you)

2.(a) ☐ I am a voter and the tax notice for the property for which I am assessed and taxed states I am a voter of Division No. _____, pursuant to section 88 of The Rural Municipality Act, or;

(b) ☐ I am a voter and a resident of and voter of Division No. _____ being a shareholder in an incorporated, co-operative association, corporation or religious organization that is engaged in farming which is assessed and taxed by the municipality, or;

Burgess

(c) ☐ I am the chief executive officer of the _____ incorporated co-operative association, corporation or religious organization that is engaged in farming and the tax notice for the property owned by this co-operative association, corporation or religious organization indicates I am a voter of Division No. _____ pursuant to section 88 of The Rural Municipality Act, or;

(d) ☐ I am a voter being the spouse of a burgess of Division No. _____ and reside with him/her in the municipalility, or;

(e) ☐ I am a voter, being a bonafide tenant of premises and have been from June 1 of this year of at least 80 acres or of a premises at a rental or a trailer licencing fee that would amount to at least $60 annually, in the municipality and a voter of Division No. _____ being a resident of that division, or;

Elector

(f) ☐ I am a voter being the spouse of a burgess of Division No. _____ and residing with him/her outside the municipality but in the province, or;

(g) ☐ I am a voter being the spouse of an elector of Division No. _____ and reside with him/her in the municipality in that division.

3. ☐ I am the nominated representative of the _____ corporation, church or other religious corporation not exempt from taxation which is assessed on the last revised assessment roll and I am not otherwise a burgess of the municipality.

4. I am entitled to vote in Division No. _____ and not otherwise a voter in the municipality.

5. I have not voted before for reeve, councillor or on the bylaw during this election.

I DECLARE THAT THE INFORMATION GIVEN BY ME WITH RESPECT TO THE FOREGOING STATEMENTS IS TRUE IN ALL RESPECTS.

Dated this _____ day of _____, 19__.

Witness:

_____ _____
Deputy Returning Officer Signature of Voter

NOTE: Implementation of other recommendations may require modification of this form.

Election of Candidate by Draw

Background

Where polling for members of municipal councils and education boards results in an equality of votes, the names of these candidates are placed in a receptacle. A candidate's name is drawn from the receptacle and that candidate is declared elected. Similar procedures exist for local government elections in other provinces. In other elections, the returning officer, who is otherwise disqualified from voting, casts a deciding vote.

This provision, section 152, is used three or four times a year in rural municipalities and less frequently in urban elections which are held every three years. This diverse situation results from divisional elections in rural municipalities and elections at large held in all urban municipalities except cities.

Problem

A number of municipalities believe election by drawing names from a hat is unfair and a new election should be held. This proposal raises the following problems:

(a) Elections are comprised of two parts, nominations, and if necessary, polling. Voiding just the regular polling, may not resolve the equality of votes for the same candidates. Presumably the proposal should require voiding the entire election and commencing with another nomination period.

(b) Assuming new nominations are required, the nomination period could not be commenced until after the fourteen day period to request a recount of the votes had expired. As this period commences after the official declaration of results, which may be a few days after polling, the original election could not be voided by legislation until approximately twenty days after polling. This would require a byelection in December to replace an election held in late October or early November.

(c) Persons may contest an election under the provisions of the Municipal Controverted Elections Act within a period of six weeks and the courts may extend this period. If the proposal proceeds, a provision would be required to prohibit an action under the Municipal Controverted Elections Act where a tied election was voided, to permit calling for nomination and polling in December in the case of annual elections and within two months of another election.

(d) Such a proposal could double the cost of the elections but municipalities appear to be willing to absorb this extra cost.

Alternatives

A Retain the existing provision and the right to contest the election in the courts.

B Adopt provincial election procedures in which the returning officer is prohibited from voting except to cast the deciding vote. As the returning officer is generally the municipal administrator, it would give the appearance of the administrator selecting his own council as well as putting considerable pressure on him.

C Legislate a procedure for tied votes in which the election would be voided unless a recount broke the tie and council would fix another nomination period at their council meeting held subsequent to the period for recounting the ballots and in such an event, the original election could not be contested.

Recommendation No. 17

The committee recommends legislation be drafted to require another election be held as indicated in alternative "C" to break a tied vote.

Strategy For The Development of Rural Saskatchewan

Background

As a result of recommendations contained in the "Strategy For The Development of Rural Saskatchewan" report and announcements made by Premier Grant Devine, the department is implementing a Rural Development Corporation Program. The program will provide financial and technical assistance to groups of municipalities that enter into a formal agreement to co-operate on an inter-municipal basis in promoting economic development.

Problem

According to the department's solicitor, the Rural Municipality Act does not authorize the rural municipalities to engage in economic development activities. Similarly, legislation does not permit urban municipalities to participate in such development as envisaged by Rural Development Corporation Program.

Recommendation No. 18

Amend Section 241 of The Rural Municipality Act and The Urban Municipality Act, 1984 to empower municipalities to engage in economic development activities and to enter into inter-municipal agreements for the purposes of economic development by the organization of Non-Profit Corporations or otherwise.

Regulation of Store Hours

Background

Section 244 permits councils to enact bylaws requiring stores to close during specified periods. Provision also exists for shop owners to petition for such a bylaw. Alternatively council may adopt the provisions of an urban municipal bylaw pertaining to the closing of shops.

Problems

Most rural councils have not enacted such bylaws and the few shop closing bylaws that have not been repealed are not enforced. Most rural councillors do not believe they should regulate store hours.

Alternatives

A Retain existing provisions as they are optional on council except on receipt of a petition of shop owners.

B Repeal the provision as it is not used.

Recommendation No. 19

Repeal section 244.

62% of responses to the final survey concurred with this recommendation.

Long Term Indebtedness Control by Local Government Board

Background

Any indebtedness not repayable in the current year, with the exception of an extension of a current year loan pursuant to section 248 is a long term debt.

All long term borrowing and indebtedness is under the control of the Local Government Board. Section 251 of The Rural Municipality Act was amended in 1980-81 to increase the maximum limit on such indebtedness from 5% to 20% of the taxable assessment of the municipality. Two circumstances have since arisen to question the advisability of this increase.

Firstly, the new level of assessment substantially increased the gross indebtedness level. The average rural municipality previously with a taxable assessment of $2.5 million, now has a taxable assessment of $5.5 million with the long term indebtedness level increased from $500,000 to $1.1 million.

Secondly, rural municipalities have traditionally restricted long term borrowing to low levels and to terms of three years or less. The prudence of this method of capital financing is especially evident during this period of restricted farm income.

Problem

While rural municipalities have not used, let alone abused, the existing statutory provisions, they continue to lack local authority to arrange long term financing. The only rural municipalities of which the committee is aware that have not been able to obtain Local Government Board approval for long term loans were those that applied retroactively for the approval. Consequently, the committee questions the requirement for approval of long term loans, especially when the municipalities have had no difficulty in obtaining the loans without Local Government Board approval.

Alternatives

A Retain existing provisions.

B Amend legislation as follows:

1 That Local Government Board approval not be required for long term borrowing, to an aggregate unpaid indebtedness of 5% (not including mortgages on office buildings) of the total taxable assessment provided the monies are repayable within a four year term.

2 That council require Local Government approval of long term indebtedness beyond the 5% limit, if repayment is to be extended in excess of a four year period except in the case of a mortgage, or if debentures are to be issued by the municipality.

3 That ministerial authorization for rural municipal debenture issues be transferred to the chairman of the Local Government Board in the same manner as in urban municipalities.

4 That members of council voting in favor of borrowing monies in excess of the unpaid aggregate or except for mortgages with repayment of extending beyond four years, without prior approval of the Local Government Board, be disqualified for three years and subject to repay jointly and severally the amount in excess of this amount.

Recommendation No. 20

Alternative "B" is recommended.

Capital Trust Funds

Background

Thirty years ago, capital expenditures were limited to five mills on the taxable assessment. Council could not exceed this amount without a vote of the burgesses, even though the municipalities had the money on deposit. To evade this restriction, the concept of the Capital Trust Fund was developed and enacted as section 266. Under this concept, control of capital expenditures was transferred from the burgesses to the Local Government Board by municipalities depositing funds into a special bank account. Municipalities could only withdraw funds with the approval of the Local Government Board who required the municipality to repay the withdrawn funds in the subsequent five or ten year period.

Problem

The limitation on capital expenditures was repealed many years ago removing the primary reason for Capital Trust Funds. However, these funds do serve other purposes which are as follows:

A Funds for capital expenditures are expensed over several years, which, in addition to leveling cash flow requirements acts in a manner similar to depreciation of capital assets.

B Assuming repayments to the funds are actually deposited, funds set aside by previous councils cannot be expended by the present council to reduce the tax levies required to finance current expenditures.

While the former purpose could be achieved by establishing a funded reserve entirely under the control of council, the latter purpose can only be achieved by retaining and strengthening the existing controls. Some councils wish to retain exterior control of municipal funds while other councils desire greater autonomy and are prepared to allow future councils to govern municipal finances. In prior years, the Local Government Board has been reluctant to relinquish their control by allowing municipalities to repeal their Capital Trust Fund bylaw.

Alternatives

A Strengthen Local Government Board control by imposing penalties for municipalities using an accounting entry, rather than a deposit into the special bank account, to replace funds withdrawn for capital expenditures. However, it does not seem reasonable to require municipalities to borrow funds to make deposits in a special bank account.

B Delete the authority for Capital Trust Funds. This alternative would be opposed by those councils that wish to retain exterior control of these funds.

C Limit the control of The Local Government Board over the repeal of bylaws establishing Capital Trust Funds. To prevent councils from repealing bylaws, without due consideration, such repealing bylaws could have a two year delay which would permit council to reconsider the need for a capital trust fund.

Recommendation No. 21

Alternative "C" is recommended

Residential Site Assessments

Background

Land in Saskatchewan is assessed on two concepts. The assessment of all farm land is based on the productivity of the soil regardless of location or its market value. Other land is assessed on the basis of its value, and consequently, there is some relationship to market value although the relationship is somewhat distorted by the lack of a location factor.

Residential sites in rural municipalities can be divided into urban lots, "small holding" parcels and quarter sections. To link assessed values of urban lots to both "small holding" parcels and quarter sections, the assessment manual provides for site assessments. A site assessment is an assumed three acre parcel on "small holding" parcels and residential quarter sections, assessed at residential land rates. The residual of the parcel or quarter section is assessed at farm land productivity rates. These site assessments add approximately $800 to the total assessment of the parcel or quarter section as compared to assessing the entire parcel or quarter section at farmland rates.

Problem

In practice, site assessments are only added to those residential quarter sections that are not occupied by a person who is deemed to be a farmer. In Alberta, site assessments are added to all residential parcels regardless of who occupies the residence.

Consequently, the Saskatchewan Assessment Appeal Board has removed all site assessments that are appealed to the Board for redress. This may result from the lack of equity between farmer residential quarter sections and non-farmer residential quarter sections or due to the lack of legislative authority for site assessments. In response to these decisions, in some cases when councils request the Saskatchewan Assessment Authority to remove the site assessments, the entire site assessment is removed but the three acre assumed parcel is not assessed at farm land rates and consequently is assessed at no value.

Regardless of whether or not site valuations are prohibited or required will likely not materially shift taxation but legislation should clearly specify which alternative is required.

Alternatives

The three alternatives are as follows:

A Retain the existing practice of calculating site values in the assessment of parcels and quarter sections occupied by non farmers but not on quarter sections occupied by farmers. This likely could be appealed as being non equitable.

B Prohibit all site assessments. This could be appealed by owners of smaller parcels in comparison to quarter section parcels or by owners of larger parcels compared to both smaller parcels or quarter sections occupied by non farmers.

C Require site assessments on all residential parcels and residential quarter sections. While there may be a small increase in the taxes on parcels and quarter sections occupied by farmers, most of these would agree this parcel or quarter section has a higher value due to the shelter belt, well or sewerage disposal field that would remain even if all buildings were removed from that parcel or quarter section.

Recommendation No. 22

It is recommended that Alternative "C" be implemented. This is similar to the system used in Alberta in conjunction with the either/or system of exempting rural residences except it is proposed to permit this site assessment to be used as part of the land assessment when calculating the exemption for a residence.

Business Taxes

Background

Section 267 of The Rural Municipality Act provides for assessment of land buildings and business. Farming is not subject to a business tax with the exception of certain intensive farming operations. Taxes levied on business assessments are not a lien on the land and are assessed to the owner of the business not the owner of the land or building.

Problems

As taxes levied on business assessments are not a lien on the land, they are difficult to collect, especially if the operator goes out of business or a receiving order is made under The Bankruptcy Act (Canada).

Contrary to the opinion of councils of some urban municipalities, councils of rural municipalities expressed the opinion that all businesses should be taxed.

In practice, however, businesses operated on farm sites are generally not taxed. When questioned why a certain business was not assessed and taxed, the answers are as follows:

(a) the amount of the tax is too small to bother with,

(b) the business is a service to the community and would be shut down if it were taxed, or

(c) it is such a small operation, it could hardly be called a business

(d) the operator needs the revenue to continue farming

It should be noted that while council ignores existing assessment provisions, they could obtain the same effect by having the business assessed and then annually exempting it from taxation by bylaw.

Because many farmsite businesses are not taxed, businesses in hamlets and small urban municipalities complain they should be given similar concessions.

Alternatives

A Assessing owners of buildings in which a business operates for a higher building assessment and repealing the provisions pertaining to assessing and taxing a business. This would however remove voting rights for persons not otherwise qualified to vote, which is consistent with urban voting provisions.

B Repealing business assessment provisions entirely or amending the provisions to exempt businesses situated on a farmsite.

Recommendation No. 23

That provision be made for additional special building assessments to be added when buildings are used for business purposes.

84% of responses to the final survey concurred that all businesses, other than farming should be taxed and 62% of the responses indicated the assessment on the business should be added to the assessment of the building.

Buildings Situated On Other Persons' Property

Background

Pursuant to section 267, where a person owns a building, situated on land owned by another person, the owner of the building is assessed for the building while the owner of the land is assessed for the land. To ensure the collection of taxes levied on these buildings, a special lien was created on the land by subsection 321(1.1), which was enacted in 1980-81.

Problems

The effect of subsection 321(1.1) is the owner of the land is ultimately responsible for payment of taxes levied on the building but there is no requirement to notify him by a tax notice or other method that taxes are not being paid.

As a title does not exist for such buildings, it is difficult to determine who owns such a building, so he can be assessed. This is especially true where cabins on lake shore property are involved and ownership changes at frequent intervals.

This provision does not effect buildings situated on land leased from the crown. Arrears of taxes on some buildings may be collectable under the Department of Agriculture's policy to pay up to two years of taxes on crown land.

Alternatives

A Repeal subsection 321 (1.1) which would remove the liability of the land owner for taxes levied on the building. This would substantially decrease the ability to collect these taxes and would encourage persons to situate buildings on leased property particularily in resorts.

B In Alberta, the owner of land is assessed for all buildings situated on his land whether or not he is the owner of the building. This alternative ensures collection of taxes levied on the building, provides notification to the land owner as to whether the taxes are paid, and eliminates the difficulty of determining ownership of the building. If this alternative was adopted, persons presently assessed for such buildings would lose the right to vote if they were not otherwise qualified to vote.

Recommendation No. 24

Adopt the Alberta system of assessing owners of land for the building and repeal subsection 321(1.1). When the building is situated on leased crown land, the leasee of the land would be assessed. In most cases, he would also own the building, there would be no change in taxation or voting privileges. Where the building is situated on land owned by an individual, the occupant of the building could vote as a tenant provided he was a

resident of the municipality. Consequently, only non resident owners of buildings situated on property owned by another person would be deprived of voting which is consistent with voting rights in urban municipalities.

73% of responses to the final survey concurred with this recommendation.

Minimum and Intensive Farm Business Tax

Background

About 1973, at the request of the Saskatchewan Association of Rural Municipalities, Section 267, The Rural Municipality Act was amended to impose a special business assessment on specified intensive farm operations.

The Department of Agriculture believes such operations should be encouraged as they are labour intensive, provide additional market opportunities to grain farmers, diversify and provide an added value to provincial agriculture operations. As the special tax reduces the economic viability of these operations, the Department of Agriculture desires this special tax be eliminated. Conversely, municipal officials believe other intensive farm operations should also be taxed.

Problems

1. As the profit ratios of the different classes of intensive farm operations have shifted since this legislation was enacted, amendment of the provision is required. In addition, there are many more types of intensive farm operations than are included in the provision.

2. The total special business assessment on all intensive farm operations is approximately $133,000 of the total assessment of over two billion. Although this amount could be increased if all types of intensive farms were included and if all such operations were assessed, it is hardly practical to establish special legislation and assessment factors for these operations.

3. The minimum tax concept developed in response to the number of intensive farm operations, such as dairy and honey producers, using a small land base to produce comparatively large incomes while paying very little municipal or school taxes.

4. While municipal officials have expressed the desire for a minimum tax, most have indicated if a farmer is already being taxed for a section of land, he should not pay a special business tax for an intensive farm operation. This opinion may result in the fact that most municipalities ignore the statutory requirement to assess intensive farm operations.

5. The intensive farm assessment is a business assessment and thus the tax levied on this assessmert is not a lien on the land which makes collection of this tax difficult.

Alternatives

The alternatives are:

A Remove the intensive farm assessment provision from section 267 of The Rural Municipality Act. This would be similar to Alberta's taxation provisions. Adoption of alternative "A" does not appear to be completely acceptable to the majority of councillors.

B Amend section 267 to include other types of intensive farm operations such as dairy, sheep, a piggery and P.M.U. operations to bring a minimum level of assessment up to $8,000 and provide an exemption from taxation on this assessment for taxes paid on other land and buildings. Adoption of Alternative "B" requires redevelopment of the assessment manual to include other farm operations but, except for those operations situated on a small parcel of land which does not have a residence to be taxed on the either/or alternative (see recommendation No. 23) all these operations would be exempt from taxation.

C Repeal existing intensive farm assessment provisions in section 267 and implementation of a new minimum taxable assessment provision replacing the minimum tax in subsection 321(3). The new provision would place a minimum assessment of $8,000 on all parcels of land on which the intensive farm operation, (as defined in that section) is situated but provide for an exemption to this minimum assessment to the extent the owner of that parcel is assessed for that land, other land and improvements. 85% of responses in the final questionnaire agreed with this proposal.

Recommendation No. 25

The committee recommends alternative "C" be adopted and that the minimum assessment pertain to intensive farm operations defined as consisting of more than:

- 100 head of dairy cattle
- 500 head of sheep
- 12,000 fowl raised for slaughter
- 6,000 fowl for production of eggs
- 500 hives of bees raised for the production of honey
- 10 million cutter bees
- 800 head of feeder cattle
- 1,000 hogs
- 400 goats
- One or more improvements (buildings) used to grow plants in an artificial environment with combined growing areas exceeding 20,000 square feet.

Taxation of Rural Residences

Background

While existing legislation provides for assessment of all buildings and Section 310 provides exemption from taxation for most rural buildings, in practice only those buildings likely to be taxed are actually evaluated by the Saskatchewan Assessment Authority. The effect of this practice is two fold.

(a) most taxpayers confuse assessment with taxation, and

(b) there is almost a complete lack of information as to the amount of assessment exempt from taxation

Rural taxation exemptions that do not exist in urban municipalities are as follows:

(a) unoccupied farmstead buildings

(b) buildings, other than residences, used in farm operations

(c) buildings, including residences where used in farming operations and farming is the occupant's chief source of income

(d) buildings that are not exempt under (b) or (c) may be partially or completely exempted dependent on the assessed value of farm land owned by the occupant

With the exception of the latter, which was enacted in 1975, these provisions have been in effect for many years. Due to the movement of urban people into rural areas and the movement of rural residents into occupations other than farming, the distinction between farming and non-farming residents of rural areas has diminished. In some rural municipalities, it is almost impossible to make such a distinction, especially in view of some existing farming practices as compared with traditional farming practices used thirty years ago. The minister was asked questions on this topic in the legislature on May 22, 1986.

Problems

This blurring of traditional differences has caused problems for rural municipal administrators, councils and ratepayers in interpreting existing statutory provisions. Some of these problems are as follows:

(a) taxation of farm buildings for the portion of the year during which they are rented and occupied by non-farmers

(b) taxation of buildings not normally used for farming but exempting the building from taxation if some farm tools or supplies are stored within the building

(c) attempting to determine the chief source of income of persons who may have three or four types of income without the authority to review income tax returns

(d) determining in advance whether or not a specific operation will be deemed to be an "agriculture" operation by the courts

(e) certain types of farmers pay almost no property taxes but require road and municipal services. An example of such a farmer would be a beekeeper living on a 5 to 10 acre parcel of land.

(f) difficulties in interpretation of the provisions pertaining to rented farm residences

(g) complete or partial exemption of commercial buildings from taxation

(h) exemption of residences on small holdings by ownership of land situated many miles from the residence

(i) during difficult economic conditions, farmers obtain other employment and thus their residence becomes taxable unless exempted by council at the time they can least afford extra taxes.

Alternatives

A Retain existing provisions but clarify some provisions. Councillors in rural municipalities in which the traditional urban/rural differences still exist generally concur with this alternative. Councillors in other municipalities believe another procedure must be developed to replace the "chief source of income" provision.

B Define "agriculture" or "farmer" and exempt "agricultural" buildings and/or "farmers'" buildings. While this suggestion appears acceptable, it is almost impossible to obtain a consensus of opinion as to acceptable inclusions or exclusions to either word. For example, the courts have determined breeding of race horses to be an agricultural operation but most rural councillors do not agree with this definition.

C Adopt urban provisions and tax all rural residences and/or all other farm buildings. This alternative would shift school taxation from urban to rural municipalities unless an equalization factor was implemented. Additionally, it would prohibit some of the property tax that would be shifted from land to residences, from being used as a deduction from farm income. Consequently, while the amount of property taxes paid by farmers may remain constant, their income tax could increase. Only one rural municipality expressed a desire to tax all rural buildings.

D Adopt the proposed Alberta system, which has the following provisions:

(a) a "site value" of approximately $800 is included in the assessment of all parcels of land on which a residence is situated

(b) all farm buildings are exempt from taxation

(c) residences are exempted from taxation, assuming sufficient farm land (not including the site assessment) is owned in the taxing authority, to a maximum assessment of the average farm residence. (In terms of the level of assessment in Saskatchewan, an average half section would exempt an average farm residence) If the assessment of the farm residence exceeded the average farm residence assessment, the additional assessment of the farm residence would be taxable regardless of how much land was owned in the taxing authority

E Adopt an either/or farm residence taxation system. Under this system, rural residents would be taxed on either their residence or their land, whichever was greater. Under this system, an average rural residence would only be taxed if its owner was not assessed for at least an average half section of land. The advantages of this alternative are:

(a) eliminates guessing as to income

(b) provides a minimum tax on residents with small land holdings

(c) only requires a few additional residences be evaluated by the Saskatchewan Assessment Authority staff

(d) places no additional taxes on most farmers

(e) easy to administer and explain to ratepayers

Committee Taxation Exemption Criteria

In considering the alternative solutions to this problem, the committee was guided by the following criteria of taxation exemptions:

(a) must rely on readily available information

(b) must be cost effective to implement

(c) must provide for only a minimal shift in taxation

(d) must be easy to understand and to administer

Recommendation No. 26

The committee recommends the repeal of the majority of income taxation exemption provision and adoption of the either/or residential taxation provision with land ownership exemptions being restricted to land situated in the municipality and in a Saskatchewan municipality joining the municipality. This would permit an exemption for land farmed in the neighbouring municipality. 60% of responses on the final survey agreed with this proposal.

The committee also notes that under this proposal, residences in hamlets could be exempt from taxation but would become taxable if the hamlet was organized as a village. Consequently, the committee recommends the proposal be modified to exclude residences in a hamlet, organized hamlet or a resort organized hamlet.

Farm buildings situtated in such hamlets would normally be taxable but could qualify for a fixed assessment agreement pursuant to section 274, which would partially or completely exempt these buildings from taxation.

If this recommendation is adopted, paragraphs 310-1(11) and (13) would be replaced with a provision similar to the following:

Residences other than those in a hamlet, organized hamlet or resort organized hamlet, when occupied by the owner of the residence, but the exemption from taxation on the residences shall be limited to the assessment of land assessed to the owner of the residence within the municipality or in an adjoining municipality.

Minor Recommendation

Number	Particulars
27	The exemption from taxation on crown land generally does not create a problem as when these lands are leased the occupant becomes taxable for the land. Wildlife habitat lands do create a problem as municipal officials assume this land is automatically exempt from taxation. However, if the land is registered in the name of the Saskatchewan Wildlife Federation, it is taxable. If the land was purchased by the crown from the Wildlife Development Fund, the land is exempt from taxation. The committee was strongly urged to recommend that grants in lieu of taxes be paid on all land reserved as a wildlife habitat. The committee recommends all provincial policies pertaining to the payment of taxes and grants-in-lieu of taxes should be reviewed.
28	Liability insurance coverage is currently of great interest to municipal officials. While it is believed specific authority to purchase insurance coverage is not required, placing a maximum on awards for damages would reduce insurance premiums payable by rural municipalities. The committee recommends that such awards be limited to $2 million by a provision of The Rural Municipality Act. **(Section 374)**
29	The definition of hamlet pertains to land subdivided for the purpose of a townsite, but current subdivisions do not use this term. Also, this definition grants hamlet status even if there are no buildings or persons residing in the hamlet. A hamlet should be defined to mean an unincorporated community situated on ten or more subdivided lots, blocks or parcels with the majority of them having an average size of less than one acre and having 5 or more occupied residences or any unincorporated area declared to be a hamlet by the minister. The number of persons requesting organized hamlet formation should be increased from 20 to 30 residents. This section should provide for prorata deduction of hamlet allotment to offset cancelled taxes and should be clarified to provide if taxes are uncollected and no cash is available to the credit of a hamlet council does not have to make the expenditure. Additionally, council should be required to request disorganization of hamlet if no hamlet board has been in existence for two years or the hamlet no longer has 20 resident voters. Additionally, formation of an organized hamlet adjacent to an urban municipality should be permitted under specified conditions. **(Section 20)**
30	One half of the members of a rural council are elected for a two year term in alternative years. All members of urban municipal councils are elected every three years. The committee's proposal of similar elections in rural municipalities was massively opposed by rural representatives and consequently, no change has been recommended in the present two year terms. **(Section 23)**

31 Persons owing money for a debt, other than taxes, are disqualified from being a member of council. A person may owe $3,000 in taxes and sit on council but if he owes $30.00 for custom work he is disqualified. The reasons for a debt disqualification are historical and apparently no longer valid. Consequently, the committee recommends that indebtedness to the municipality be removed as a disqualification for members of council. **(Section 25)**

32 A number of briefs to the committee pertained to the enforcement of existing provisions rather than amended legislation. This concern was raised in the legislature on May 22, 1986. Council may, in their municipality, or in co-operation with other municipalities, appoint special constables to ensure compliance with their bylaws and vehicle weight restrictions. Regardless which alternative is used, it costs money to employ constables, equip them and retain a solicitor to prosecute persons caught violating these laws. One municipality suggested some type of grant to encourage employment of special constables. Other suggestions were to have the Royal Canadian Mounted Police do this enforcement when requested by council. Questions as to specific examples of the apparent deficiency revealed council and their ratepayers were not prepared to become involved in financing bylaw enforcement or to give evidence of the offence. Consequently, law enforcement is likely to remain an unresolved concern. The committee believe the reeve is an ex-officio peace officer under The Criminal Code. The committee recommends the Rural Municipality Act include a provision authorizing the reeve to act as a special constable in the enforcement of weight limits and municipal bylaws. **(Section 36)**

33 The Board of Reference provisions permit an administrator to appeal the termination of his services by council, to a standing independent board composed of one representative of the Rural Municipal Administrators Association, the Saskatchewan Association of Rural Municipalities and the Minister. The Board is to review the circumstances of the dismissal and determine if the parties differences can be reconciled. The municipality is prohibited from employing a permanent replacement until the committee has filed its report. In practice, the parties in most disputes cannot be reconciled. Unless council and the administrator have a harmonious relationship, the administrator cannot work efficiently for the municipality. The committee believes the other Board of Reference provisions should be retained to ensure administrators have the opportunity to verify they were not responsible for the termination of their services. However, the Rural Law Committee believes there is little value in prohibiting employment of a permanent replacement for the administrator. Another option considered is the advisability of transferring the Board of Reference duties to the Board of Examiners. Both boards have the same representation and similar financing. Additionally, if the termination is due to the poor work of the administrator, his certificate should be down graded or suspended. The authority to issue permits for unqualified persons to act as a municipal administrator should be transferredfrom the Minister to the Board

of Examiners as is taking place in The Urban Municipality Act, 1984. Additionally, this provision should be redrafted to remove potential loopholes. **(Sections 70 and 71.1 to 71.91)**

34 The preparation of the annual financial statement of the municipality has remained the responsibility of the auditor for many years. The current practice in other jurisdictions is to have these statements prepared by the municipality and verified by the auditors. The Rural Municipal Administrators Association welcome this proposed change. In practice, if the administrator cannot prepare the financial statement, the auditor will prepare it. The committee recommends The Rural Municipality Act be amended to make preparation of the financial statement the responsibility of the municipality. **(Section 80)**

35 As ministerial approval of penalties in bylaws serves no useful purpose, it should be discontinued as has been done in the Urban Municipality Act, 1984. The department should continue to provide draft bylaws and advice to rural municipalities on bylaws. **(Section 186)**

36 Community Access Roads are municipal roads, constructed and maintained under an agreement between the municipality and the Department of Highways, but are usually considered to be a provincial highway. Other municipal roads are also being maintained by that department. In both cases, the municipality is liable for damages caused by the lack of maintenance or repair to these roads. The committee recommends that the control of jurisdiction of such roads and the liability for them be transferred from the municipality. **(Sections 204 and 206)**

37 The committee asked rural representatives if they wished to retain the universal weight provision. This question was mentioned in the house on May 22, 1986. Over 82% of responses to the initial questionnaire were in favor of council being empowered to fix maximum weight limits on their roads. However, after this proposal was raised at the twelve area meetings, only 43% supported the proposal. The committee members believe in the concept of universal weight limits on municipal roads and in view of the lack of a consensus of opinion to the contrary, no change is being recommended in this provision. **(Section 204.1)**

38 Several municipalities indicated it should be possible to obtain a road maintenance agreement with companies employing truckers to haul oil, water and gravel belonging to the company in the municipality. Consequently, the committee has recommended this option be made available. After consideration of the advisability of exempting agricultural products from bulk haul provisions, the committee does not recommend legislation for such an exemption. **(Section 204.3)**

39 Section 211 permits council to close and lease road allowances subject to the approval of the Minister of Highways. In order to ensure adjacent property owners and other persons who may require

the road allowance for access to their property, are aware of the proposal, it has been suggested a notice be published of the proposed closure prior to passing the resolution. The committee recommends this procedure be adopted. Additionally, the committee recommends subsection 59(2) of The Highways and Transportation Act be amended to delete the reference to a bylaw being required for section 211 of The Rural Municipality Act. **(Section 211)**

40 Sections 213, 214 and 215 of The Rural Municipality Act pertain to imposing a special tax on land adjacent to roads being contracted, gravelled or snow plowed to finance this work. In as far as the committee has determined, only the Rural Municipality of Lumsden No. 189 and the Rural Municipality of Torch River No. 488 use these provisions to finance snow removal. Consequently, the committee recommends these provisions be repealed. **(Sections 213, 214 & 215)**

41 The Rural Municipality Act should be amended to list what is required on forms such as the tax notices, receipts, assessment and tax rolls and the requirement of ministerial approval of these forms and the requirement of the deputy minister's signature to be printed on these forms be discontinued. **(Sections 267, 321, 323, 341 etc.)**

42 The term "Court of Revision" should be revised to "Board of Revision". Board of Revision appellants must be notified by registered mail as the time and place of their appeal will be heard. The expense of holding the Board of Revision must be paid by all tax payers. The committee believes council should be authorized to charge a small deposit such as $5.00 per parcel that is appealed to partially reimburse the municipality for hearing appeals and to prevent persons submitting frivolous appeals. The legislation should provide that unless council waives collection of such deposits, an appeal has not been properly filed unless the deposit has been paid and that in the event the appeal is upheld by either the Board of Revision or the Saskatchewan Assessment Appeal Board, the deposit is to be refunded by the municipality. Boards of Revision membership should permit persons other than council. **(Section 278 & 282)**

43 The Urban Municipality Act, 1984 restricts the tax exemption for land owned by a rural municipality to 0.20 hectares while all land owned by an urban municipality and situated in a rural municipality is exempted from taxation. To provide uniformity of legislation, it is recommended a 0.20 hectare limitation be placed on the taxation exemption for land owned by urban municipalities. **(Section 310)**

44 In 1982, the Department of Agriculture requested amendments to tax greenhouses and similar controlled environment operations in the same manner as farmers. The departments request was predicated on the higher level of taxation on greenhouse operations in Saskatchewan than neighbouring provinces. That department believed lower taxation would encourage the growth of greenhouse

operations. Accordingly, The Rural Municipality Act was amended to exempt the growing area of greenhouse buildings and the business assessment on the growing area of such buildings. While some municipalities objected to this amendment, it was not a concern of most councils. The committee notes that if the minimum tax and if the either/or taxation principle on residences is implemented, municipalities will at least be collecting a minimum tax. Accordingly, the committee recommends no change be made in the taxation exemptions for greenhouses. **(Section 310)**

45 Over 95% of responses to the final questionnaire desire that farm barns, granaries etc. and unoccupied farm residences remain exempt from taxation. The committee recommends such buildings remain exempt from taxation provided the building is unoccupied or the use of the building pertains to the production or storage of food or storage and repair of equipment used in the production of food. This recommendation is based on concerns expressed that commercial agricultural buildings such as seed cleaning plants are exempt from taxation as well as buildings used for recreational pursuits. The legislation should ensure where part of a building is used for commercial or recreational purposes and part is used for the production or storage of food grown or used on that farm, the portion used for commercial or recreational purposes is taxable. **(Section 310)**

46 Section 335 prohibits prosecution of a purchaser of grain who makes a false entry on a grain exemption certificate without the permission of the Attorney General. This restriction presumably resulted from councils desire to prosecute the purchaser of the grain but not the seller of the grain when it was an offence to sell or purchase grain if the farmer was indebted for taxes. As it is no longer an offence to purchase the grain, the committee recommends this section be repealed. **(Section 335)**

47 A number of councils requested authority to fix the penalty rate on arrears of taxes. Urban municipal councils have this authority and the matter was raised in the Legislature on May 22, 1986. The penalty is currently established by the minister in relation to the Bank of Canada rate on December 1st of the preceding year. 76% of responses to the Rural Law questionnaire desired the tax penalty rate be set by the minister. The committee recommends the existing provision be continued but the rate be adjusted to ensure the tax penalty rate be at least two percent above the Bank of Canada rate to ensure the penalty rate is comparable to interest rates charged by local banks. **(Section 339.2 & 339.3)**

48 Statutory discounts on current taxes, varied by enactment of a bylaw to grant an additional one percent of discount has been in effect for many years. Authority to adopt urban prepayment discount provisions was repealed as it was not used. As councils appear satisifed with existing discount provisions, the committee recommends no changes be made in these provisions. **(Section 340)**

49 The statutory provisions pertaining to tax cancellations should be redrafted in accordance with current accounting practices and the legislation reorganized. Approval of the Board of Revenue Commissioners is required for cancellation of Public Revenue Taxes which have not been levied for over thirty years. The committee recommends this approval be deleted as it is unlikely there are any collectable arrears of Public Revenue Taxes. The minister is required to approve tax cancellations, refunds and agreements between taxing authorities to compromise other liabilities. All municipalities may exempt property from taxation without ministerial approval. As ministerial approval to compromise taxes is not required in urban municipalities, the committee recommends it be dispensed with in rural municipalities. Consent of The Saskatchewan Municipal Hail Association is required for cancellation of municipal hail taxes. The committee recommends if it is deemed necessary by the Saskatchewan Municipal Hail Insurance Association to approve cancellation of their taxes, that the requirement be transferred to The Municipal Hail Insurance Act. **(Sections 359, 360, 367(1))**

Appendix "A"

Other Proposed Changes

Section	Particulars
2	All references to secretary, treasurer or secretary treasurer to be changed to administrator and the administrator is to be the assessor and returning officer unless another person has been appointed to those positions. A tenant's residence requirement to vote is to be increased from 30 days prior to July 1 to 5 months prior to nomination day. Improvement is to be defined similar to The Urban Municipality Act, 1984, and includes buildings, structures, etc. and land is to be redefined to indicate that land does not include improvements. Road, road allowance and public highways are to be defined in this section.
4	Extension of time provision should include Board of Revision duties as well as anything done by council or an employee within a specified time.
11	Provision made for adoption of a seal although this is contained in The Interpretation Act.
15	Should provide for setting terms of settlement of assets and liabilities in minister's order covering boundary alterations.
16	Should clarify that uncollected taxes and other receivables are to be transferred to and collected by the new municipal jurisdiction when the other assets and liabilities are transferred..
22	Should provide for council to hold office from January 1 to December 31.
27	This section pertains to exceptions to disqualifications and clarifies, condenses exceptions to disqualification for sitting on council and clarifies that the reference in 27(4) pertains to a resident of the municipality.
37,38,39	Council remuneration has been clarified to permit such payments as authorized by council per day, month or year for any municipal purpose authorized by council.
40	This section prohibits council from receiving additional remuneration and is redundant as council can fix any remuneration and consequently this provision should be repealed.
41	Should be revised so a resolution is not required for the income tax provision regarding exemption to cover general expense.

42	Should be revised so a councillor may, subject to prior approval of reeve, expend up to $2,500 for emergent repairs without being in contravention of the statute.
51	Should be revised to permit the deputy reeve to be appointed for year or such other lessor period as fixed by council and to provide for an acting deputy reeve.
56	Should be revised to require a councillor to leave meeting while matter in which he has pecuniary interest is being discussed. Allows elector to take action against person who contravenes this section.
59	Holding the annual meeting of voters should not be mandatory and should be termed a public meeting of voters when such a meeting is held by repealing this section.
62	Should be amended to ensure that municipal employees and members of council are covered under provisions similar to The Public Officers Protection Act while performing duties or actions under municipal bylaws.
71.5	The deposit for an appeal to the Board of Reference should be increased from $100 to $500.
71.9	This section provides for fines and penalties where a person accepts permanent appointment as administrator before time for appeal has lapsed or the Board of Reference has filed statement of findings. A proposed recommendation is to permit council to employ a permanent administrator prior to that time which makes this penalty provision redundant.
72	Clarified that when the municipality is responsible for deposit to cover an appeal to the Board of Reference, the money is to be paid to the Board.
77	Provides that upon payment of required fee, copies of the minutes are to be mailed to the voter within a reasonable time after each meeting. This is to be altered to provide that minutes be mailed after being adopted by council. Additionally, this provision should be clarified to ensure there is no conflict between it and the notice in form 26.
86	With the proposed introduction of a voters' registration form the tenants list is no longer required.
87	Voters list being replaced by a list of assessed owners.
88	Clarifies how to determine the division in which joint owners are to vote.
97	October 1 set as deadline for naming polling places and appointing election officials.

99	The nomination hour should be changed to a nomination period from the date of publication of the notice of nominations until three o'clock on the third Monday of October.
100	Should provide for the issue of a receipt for a nomination paper.
106	Time for keeping nomination papers should be reduced from six to three months.
109	Local time defined to mean C.S.T. or M.S.T. as required.
110	Requirement to post notice of polling in divisions should be discontinued.
136,137 138	Procedure for voting should be redrafted similar to urban provisions using the voter registration form.
147	Should be expanded to permit handicapped to vote at advance polls and to permit advance polling at byelections.
151	Clarifies procedure to follow when duplicate statement of election results is lost.
154	Sealed ballot boxes should be retained for three months after close of nomination period similar to retention of nomimation forms. The existing requirement is two months following polling.
159	This should be revised to provide if a recount determines there was a tied vote, the judge will instruct the returning officer to conduct a new election.
184	This provision which pertains to committees of council and should be extended to permit persons other than members of council to be appointed to a board which reports to council.
186	This provision pertains to penalties for violation of municipal bylaws should be revised similar to urban provisions with voluntary payments, discounts, etc.
191	A proposed revision will be to void a bylaw if 3rd reading is delayed beyond a 2 year period after 1st reading.
200	The provision for distributing seed grain and supplies from municipal funds should be repealed.
203	The provision referring to the extermination of insects should be repealed as this authority is in The Pest Control Act.
205	This provision should be expanded to permit the temporary closure of roads for other circumstances, such as installation of sewer lines.

207 Provision should be made that person causing damage to public highway, culvert, etc. must erect barricade to prevent damage to subsequent traveller, and is also held responsible for cost of damages.

208 Jurisdiction over disputes concerning the construction, maintenance and demolition of bridges between rural municipalities now vested in the Minister of Highways should be transferred to the Minister of Rural Development.

209 Pertains to agreements between Saskatchewan and Manitoba rural municipalities. This section should be redrafted deleting the minister's approval of such agreements.

211 Provides the authority to close and lease unused road allowances. This section should be revised and require notice of the proposed closures be published. Section 59 of The Highways Act should be revised to delete the requirement for a bylaw to use section 211.

216 This provision should be broadened similar to provincial highway provisions by giving the reeve authority to move abandoned vehicles parked or left on road in a manner which constitutes a hazard to other users of road or that interfere with road construction or maintenance.

222 The minimum distances from centre line of any road allowance for buildings, trees, etc. should be increased from 150 to 200 ft. (60 metres) and this provision should be expanded to clarify it includes such classes of fences as specified in the bylaw.

222.1-222.9 These special sections pertain to the establishment of road maintenance areas. Since enactment of these provisions, section 242 has been expanded to include such co-operative agreements and consequently these sections are no longer required and should be repealed.

223 Prevents a person paying a business tax from being required to also pay a revenue type of business license and should be revised to ensure it does not prevent payment of a fee for a regulatory type of license.

225 One of the provisions of this section pertains to licensing person who excavate gravel. This provision that should be added is to require owners of gravel pits to notify the municipality which contractors removed gravel and the amount excavated.

227 Amended to permit councils to charge a fee for responding to fires to partially finance fire protection services.

227 Permits council to designate areas in hamlets and prohibit the keeping of livestock in those areas. This authority should be redrafted to prohibit keeping of livestock of poultry or any type thereof, in a zoning district or other designated area of the municipality.

238 Pertains to building construction bylaws and has been made redundant by enactment of The Uniform Buildings and Accessability Standards Act. The provision should be altered to reference that statute and the possibility of the municipality obtaining an exemption from enforcing that statute.

240 Provides limited authority to make grants and should be extended to provide complete authority as is provided urban councils.

242 Permits councils of urban and rural municipalities to jointly provide a service. This provision should be expanded to include school divisions, hospitals, provincial and federal agencies and departments.

245 Provides for preparation of the budget. This provision should be expanded similar to the provision for urban municipalities and include a provision for authorization of levies of other taxing authorities.

248 Provides a penalty for exceeding the limit on temporary borrowing. This penalty should be expanded to make councillors liable for any loss suffered by the municipality for loans in excess of the limit.

252 Provides bylaws for debenture indebtedness must be given third reading not more than 30 days after the vote of the burgess unless the time has been extended by the Local Government Board. The authority to extend this time frame should be transferred to the minister as is done with other extensions of time.

256 Limits debentures to a twenty year term. This provision should be clarified to limit the term to the lesser of twenty years or the term approved by the Local Government Board.

259 Provides for the Minister to grant a certificate of validity for debenture bylaws. This certificate should be issued by the Local Government Board as is done with urban debenture bylaws.

262 Provides for the Minister to countersign debenture bylaws as evidence of its validity. This signing authority should be transferred to the Local Government Board.

265 Provides for investment of surplus funds. It should be redrafted similar to the provisions for urban municipalities and school divisions.

267-273 These sections provide the rules for assessment of property and should be reorganized and redrafted to ensure compatability with urban provisions and to facilitate transfer to the Saskatchewan Assessment Management Agency Act at a later date. References to business assessment regulations should be changed from the Lieutenant Governor in Council to that agency. The revision should separate land, which includes buildings, into land and improvements and include other changes recommended by the Rural

Law Committee and approved by the Minister. Deadlines for assessment information supplied by owners of oil wells and pipelines has been moved forward from March 1st to October 1st to facilitate assessments and a corresponding change should be made in The Urban Municipality Act, 1984.

274 Provides for a fixed assessment on farm buildings on parcels less than three acres. This provision should be amended to correspond to taxation exemptions on larger parcels of land.

275 Pertains to the assessment roll and provides this form is to be "prescribed by the minister". This term should be replaced by listing the required information in the statute.

289 Pertains to altering the assessment roll to reflect decisions of the Board of Revision and for example, requires the changes be made in "ink of a different colour". Municipalities with computerized records cannot comply with such provisions and the provisions should be altered to other methods of audit control.

297 Pertains to altering the assessment roll to reflect decisions of the Saskatchewan Assessment Appeal Board. This provision should also be altered in a manner similar to section 289 to permit compliance when records are computerized.

310 The exemption for school buildings should continue only for two years after the school has been closed. The exemption for lands held in trust for Indians can be deleted as Indian reserves have been excluded from the municipalities for many years. The exemption for areas planted with trees or flooded with water should be repealed as council has the authority to exempt any property. The general exemption authority should be expanded to permit exemptions by agreement as is permitted in urban municipalities.

311 Provides for imposition of an amusement tax. This provision should be extended to permit imposition of a flat license fee, payable in advance, for special events such as a "Rock Concert".

339 Requires the minister to approve the form used by municipalities to exempt grain from attachment and should be repealed.

347 Pertains to distress procedures used to enforce collection of taxes. The costs chargeable for these procedures require revision as does the procedure to give notice of the chattels to be sold.

367 Provides authority with the consent of the minister to charge other taxing authorities for a portion of legal costs, other than costs under The Tax Enforcement Act, expended to collect taxes. In some cases, as it is easier for the administrator, the taxpayer is sued for taxes that could have been collected by proceeding under the Tax Enforcement Act. This provison should be strengthened to avoid this possibility and the requirement for the consent of the minister should be repealed.

Summary of Recommendations

Pertaining to Other Departments

Repeal of the Dog Licensing and Sheep Protection Act and inclusion of sheep in The Animal Protection Act. **(No. 1)**

Transfer of authority to purchase weed control chemicals to The Noxious Weeds Act. **(No. 2)**

Transfer the authority to control of gophers to The Pest Control Act. **(No. 3)**

Conversion of school taxation from a mill rate basis to a requisition basis if necessary. **(No. 4)**

Amendment of the Union Hospital Act. **(No. 5)**

Exclusion of regional park roads from the municipality or inclusion of regional parks in the municipality. **(No. 6)**

Provision for election of urban resort councils by wards. **(No. 7)**

Transfer of jurisdiction for roads removed from Indian reserves to the province is recommended and section 204 should be revised to ensure the jurisdication for Community Access Roads and roads being maintained by the Department of Highways has been transferred to the province. **(Nos. 12 & 36)**

Removal of the requirement for consent of the Attorney General to prosecute a purchaser of grain who makes a false entry on a municipal grain exemption certificate. **(No. 46)**

Pertaining to the Department of Rural Development

Organization and Employees

Redraft municipal organization procedures to delete obsolete references to Local Improvement Districts and first elections and to refer to annexations, not amalgamations when referring to boundary adjustments between rural municipalities. **(No. 13)**

Revisions in the definition of a hamlet and in the formation of organized hamlets have been recommended. **(No. 29)**

Permitting council to employ a permanent administrator while an appeal is being conducted by the Board of Reference is recommended. **(No. 33)**

Transferring responsibility for preparation of the financial statement from the auditor to the municipality has been recommended. **(No. 34)**

Council

While existing conflict of interest provisions are limited, they should not be extended but should be clarified. **(No. 15)**

Provision of the reeve as an ex-officio special constable to assist in the enforcement of bylaws. **(No. 32)**

The requirement of ministerial approval of rural municipal bylaws should be repealed as has been done with urban municipal bylaws. **(No. 35)**

Elections

Requiring completion of a voter registration form at the poll and discontinuing preparation of the voters' list. **(No. 16)**

Conducting new nominations and polling to determine the successful candidate where there are an equal number of votes for candidates at the election. **(No. 17)**

No change in the two year alternating terms for members of council is being recommended. **(No. 30)**

Removal of indebtedness to the municipality as a disqualification for nomination to council is recommended. **(No. 31)**

Agriculture

Repeal of The Municipal Seed Grain and Supply Act. **(No. 8)**

Amendment of The Stray Animals Act. **(No. 9)**

Require lawful fences (pursuant to The Stray Animals Act) to be placed eight feet from the boundary line of a neighbour's property who is likely to seed up to the property line. **(No. 10)**

Other

Permitting municipalities to engage in economic development activities by organizing non profit companies or otherwise. **(No. 18)**

Elimination of authority to enact store closing bylaws. **(No. 19)**

Limitation of liability to $2,000,000 for any accident. **(No. 28)**

Finances and Administration

Amendment of The Tax Enforcement Act. **(No. 11)**

Elimination of Local Government Board control over long term borrowing if the debt is repayable within four years, does not exceed 5% of taxable assessment and a debenture is not issued for the debt. **(No. 20)**

Making councillors who vote to borrow monies in contravention of the above noted recommendation, jointly and severally liable to repay the funds borrowed in excess of that provision in addition to being disqualified from holding office for three years. **(No. 20)**

Permitting council to repeal their Capital Trust Fund bylaw without approval of the Local Government Board after a two year delay. **(No. 21)**

Removal of the requirement for municipal forms, such as receipts and tax notices, to be approved by the minister is recommended. **(No. 41)**

Retention of the penalty rate on tax arrears as a statutory provision but increasing the scale to ensure this rate is comparable to interest rates charged by local banks. **(No. 47)**

Retention of statutory discounts for current taxes is recommended. **(No. 48)**

Removal of the requirement for approval by the minister and the Board of Revenue Commissioners for cancellation of tax arrrears is recommended as is the transfer of this requirement for municipal hail taxes. **(No. 49)**

Assessment and Taxation

Permitting council to establish a lower municipal mill rate applicable to hamlet property. **(No. 14)**

Alter legislation and the assessment manual to require site assessments be placed on all quarter sections and other parcels on which a residence is situated and occupied at least four months of the year. **(No. 22)**

Adding the business assessment to the assessment of a building used for business purposes rather than a separate business assessment. **(No. 23)**

Assessing buildings to the owner of the land regardless of who owns the building. **(No. 24)**

Placing a minimum assessment of $8,000 on parcels used for intensive farm operations but exempting that assessment from taxation to the amount the owner is assessed for land and buildings within the municipality. **(No. 25)**

Repealing the majority of income rule for exempting rural residences on parcels of land over three acres and taxing either the residence or the land owned in the municipality or an adjoining municipality, whichever has the highest assessment. Residences occupied by tenants of privately owned land or employees and relatives of the owners of land could be taxable. **(No. 26)**

Review of all provincial policies pertaining to the payment of taxes and grants-in-lieu of taxes on crown land. **(No. 27)**

Permitting council to charge a small fee for appeals to the Court of Revision and altering this term to the Board of Revision is recommended. **(No. 42)**

Permitting rural municipalities to tax land in excess of one half acre that is owned by an urban municipality is recommended. **(No. 43)**

A change in the taxation exemptions for greenhouses and similar operations is being recommended. **(No. 44)**

Unoccupied residences and buildings used for the production and storage of food should be exempt from taxation but those farm buildings used for recreational pursuits and commercial agricultural facilities should be taxable. **(No. 45)**

Roads

Universal maximum weight limits should be retained. **(No. 37)**

Provision for road maintenance agreements with companies employing trucks to haul oil, water and gravel is being recommended. **(No. 38)**

Publication of a notice of a proposal to temporarily close and lease a road allowance is being recommended. **(No. 39)**

Repeal of the authority to finance road construction, gravelling and snow removal by a special tax on adjacent land is being recommended. **(No. 40)**

Summary of Rural Law Review Questionnaire No. 1

Administration

1. **Is ministerial approval esstential in such matters as tax cancellations or penalty bylaws?**

Tax Cancellations	442 said yes	727 said no	22 gave no response
Penalty Bylaws	527 said yes	647 said no	22 gave no response

2. **Is a bylaw necessary to dispense with the mailing of assessment notices?**

469 said yes 689 said no 38 gave no response

Elections

1. **Should all members of council be elected at large in the same manner as the reeve?**

20 said yes 1163 said no 11 gave no response

2. **Should all members of council be elected at the same time for concurrent terms?**

43 said yes 1150 said no 2 gave no response

3. **Should members of council be elected for a three or four year term?**

268 said yes 913 said no 14 gave no response

4. **Should the definition of elector be revised to include all residents over the age of eighteen?**

166 said yes 1119 said no 19 gave no response

5. **Should a voters' list be prepared or should voter registration forms be used?**

764 said list 328 said forms 100 gave no response

6. **Should indirect ownership, such as ownership through a limited farming corporation, entitle a person to be a voter?**

440 said yes 707 said no 47 gave no response

Transportation

1. **Should council be empowered to set weight limits on municipal roads?**

908 said yes 293 said no 11 gave no response

2. **Should the terms "road", "road allowance", "public highway", etc. be defined in the statute or interpreted by the courts?**

962 said statute 31 said courts 209 gave no response

3. **Should The Rural Municipality Act contain a provision making the person who damages any municipal road, bridge, culvert or sign responsible for the damage?**

1197 said yes 40 said no 45 gave no response

Finances and Taxation

1. **Should the question of taxation of residences be contingent upon the occupant's chief source of net income?**
   545 said yes 481 said no 144 gave no response

2. **Should all residential buildings be taxed?**
   240 said yes 903 said no 45 gave no response

3. **Should all businesses be taxed?**
   882 said yes 198 said no 113 gave no response

4. **Are variable mill rates on hamlet assessment a viable option for the municipality?**
   576 said yes 447 said no 185 gave no response

5. **Should penalties on tax arrears be established by statute or by resolution of council?**
   863 said statute 267 said R/C 54 gave no response

Agriculture/Other

1. **Should the term "agriculture" be defined?**
   1043 said yes 81 said no 67 gave no response

2. **Should council be permitted to encourage development of various types of agriculture and/or commercial enterprises by offering long-term property taxation exemptions?**
   353 said yes 779 said no 61 gave no response

Summary for Evaluation Sheet From Area Meetings

1. **(a) Do you feel municipalities should be given back the authority to establish weight limits to protect municipal roads?**
   169 said yes 225 said no 10 gave no response

   (b) If we maintain universal weight limits, should additional authority to levy a fee in lieu of a road maintenance agreement be provided?
   333 said yes 44 said no 26 gave no response

   (d) Should we remove provincial controls on municipal speed limits?
   26 said yes 367 said no 10 gave no response

   (e) Can you suggest a better method for council to authorize closing a road for a period of approximately 5 years?
   51 said yes 248 said no 105 gave no response

   (f) Is it likely your municipality will finance road construction, gravelling or snow removal by a special levy on adjacent property in the forseeable future?
   26 said yes 359 said no 19 gave no response

   (g) Do you have any problems relating to existing statutory provisions pertaining to the use of the roads?
   65 said yes 276 said no 74 gave no response

   (h) Do we need to retain special legislation dealing with the building of roads by maintenance areas?
   100 said yes 206 said no 98 gave no response

2. **(a) Should the term "elector" be expanded to include all residents over the age of 18?**
   70 said yes 328 said no 7 gave no response

   (b) Should preparation of the voters list be dispensed with?
   186 said yes 168 said no 51 gave no response
   Prepared only when required?
   236 said yes 112 said no 57 gave no response
   Would you favor pre-registration of eligible voters?
   125 said yes 201 said no 79 gave no response

   (c) Should the new council take office immediately following the annual election?
   192 said yes 196 said no 16 gave no response
   Advance date of taking office?
   107 said yes 177 said no 120 gave no response
   Delay election date?
   54 said yes 232 said no 118 gave no response

(d) Should the annual meeting be made optional?
282 said yes 130 said no 9 gave no response
Extend time for accepting nominations?
256 said yes 117 said no 31 gave no response

(e) Should all members of council be elected at the same time for concurrent terms?
24 said yes 376 said no 4 gave no response

3. (a) Should the special business assessment be removed from intensive farm operations?
80 said yes 278 said no 36 gave no response

(b) Should this assessment be extended to dairy and honey producers?
278 said yes 78 said no 50 gave no response

(c) What about other intensive farm operations?
168 said yes 52 said no 184 gave no response

4. (a) Should provision be made for automatic reversion of organized hamlets that no longer meet organized hamlet status?
311 said yes 42 said no 51 gave no response

(c) Are variable mill rates on hamlet assessment a viable option for the municipality?
80 said yes 50 said no 29 gave no response

6. (a) Do you feel that the location of industry or commerce in your municipality would be of benefit to your taxpayers?
315 said yes 38 said no 51 gave no response

(b) Has council given any consideration to promoting any such development in your municipality?
78 said yes 253 said no 73 gave no response

(e) Would statutory prohibitions on bonusing or prohibition of investment be a problem in having industry or business located in your municipality?
16 said yes 153 said no 235 gave no response

(f) Do you have any other ideas on this topic?
8 said yes 124 said no 272 gave no response

7. (a) Were the presentations informative?
371 said yes 3 said no 30 gave no response

(e) Do you feel that you and the other delegates in this meeting contributed adequately to the discussion today?
318 said yes 11 said no 75 gave no response

SUBMITTED BY: 218 councillors
81 administrators
89 reeves
7 ratepayers
15 gave no response

Summary for Rural Law Review Questionnaire No. 3

R.M. Taxation

The general consensus of opinion of property taxation changes is as follows:

1. **Farm Buildings**

All farm buildings (ie. granaries, barns, etc.) and all vacant farm residences should remain exempt from taxation, but all commercial buildings and rented farm houses should be taxable by the municipality.

994 said they agreed with this proposal
47 said they did not agree with this proposal
9 gave no response

2. **Occupied Farm Residences**

Owners living on parcels of land exceeding three acres should be taxed on either:

a) **the land they are assessed for in the municipality or an adjacent municipality in Saskatchewan or;**

b) **the residence in which they live, dependent on which has the higher assessed value.**

602 said they agree with this proposed change
397 said they wished to retain the majority of income rule
59 gave no response

3. **Minimum Tax and Intensive Farming Tax**

Persons who own property and are residents within the municiality and resident property owners who are engaged in intensive farm operations should at least pay a minimum tax to the municipality or an adjacent municipality that is roughly equivalent to the taxes on an average half section of land. If the taxpayer is not being taxed this amount on his land, residence or business, he should be taxed in some manner on his intensive farming operation.

888 agreed with this proposal
152 disagreed with this proposal
18 gave no response

4. **Regional Park**

Residences in regional parks should be taxed in a manner similar to privately owned resort property with the municipality.

This could be done by including the regional park in the municipality and providing for:

a) **taxation exemption for all property owned by the regional park authority and**

b) **provision for transferring the tax revenue on private property situated in the regional park to the regional park authority.**

If the regional park is included in the municipality, the municipality becomes responsible for the roads and other municipal services. The transfer of net municipal tax collections back to the regional park could relieve the municipality of any such responsibility.

752 agreed with this proposal
199 disagreed with this proposal
106 gave no response

5. Variable Mill Rates

As requested by a number of municipalities, it is proposed to permit council to establish a lower municipal mill rate on hamlet and resort hamlet property where the hamlet does not require the excess municipal tax levy.

715 agreed with this proposal
310 disagreed with this proposal
33 gave no response

6. Business Taxes

While most councillors want to retain business taxes, most rural municipalities neglect to impose a business tax on all persons operating a business. Some municipalities recommended business assessments be included in the assessment of business buildings.

869 agree that all businesses, except farming should be taxed
160 disagree with this proposal
29 gave no response

If businesses are to be taxed, should this additional assessment be added to the assessment of the building?

606 said yes
374 said no
78 gave no response

7. Regulating Store Hours

Generally, rural municipal councils do not enact bylaws requiring stores in hamlets to close at a certain time. If this authority is not required or desired, it should be deleted from The Rural Municipality Act.

Do you agree the authority for councils to regulate store hours should be repealed?

759 said yes
285 said no
22 gave no response

8. Buildings Situated on Land Owned by Another Person

Under present legislation, where one person owns a building and another person owns the land, the owner of the building is assessed and taxed for the building. If he does not pay these taxes, a lien may be registered against the land on which the building is situated. Consequently, the owner of the building is entitled to vote and the owner of the land is ultimately responsible for payment of taxes. The owner of land in Alberta, is also assessed for the buildings situated thereon, whether or not he owns them. If this were done in Saskatchewan, trailers and cabins would be assessed to the trailer court owner or the resort land owner on which they are situated and the owner of the building may not be entitled to vote in the municipality.

Should all buildings be assessed to the owner of the land on which the building is situated?

727 said yes
332 said no
39 gave no response

9. Election Procedure

Voters' lists are prepared every year but are seldom used as most rural municipal councillors are elected by acclamation. When polling does occur, the voters' list is actually only a guide as a candidate or his agent can object to any person who desires to vote, whether or not they are on the voters' list and any person not on the list must be allowed to vote if they take the prescribed oath. The committee believes the responses indicate the following procedures could be used to replace the voters' list.

(a) Placing the taxpayers polling division on his tax notice, and having persons wishing to vote complete a voters' registration form similar to the attached form, at the polling place. This would provide a written record of the qualifications of persons who voted and is similar to the procedure used in villages and towns.

(b) In addition, council could direct the administrator to prepare a list of assessed owners, and the division number marked on their tax notices, if council feels this would be of benefit to the candidates, Deputy Returning Officers and voters.

Do you agree with the concept of having persons who wish to vote complete a voters' registration form which would eliminate the voters' list?

639 said yes
408 said no
11 gave no response

RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

of

SASKATCHEWAN

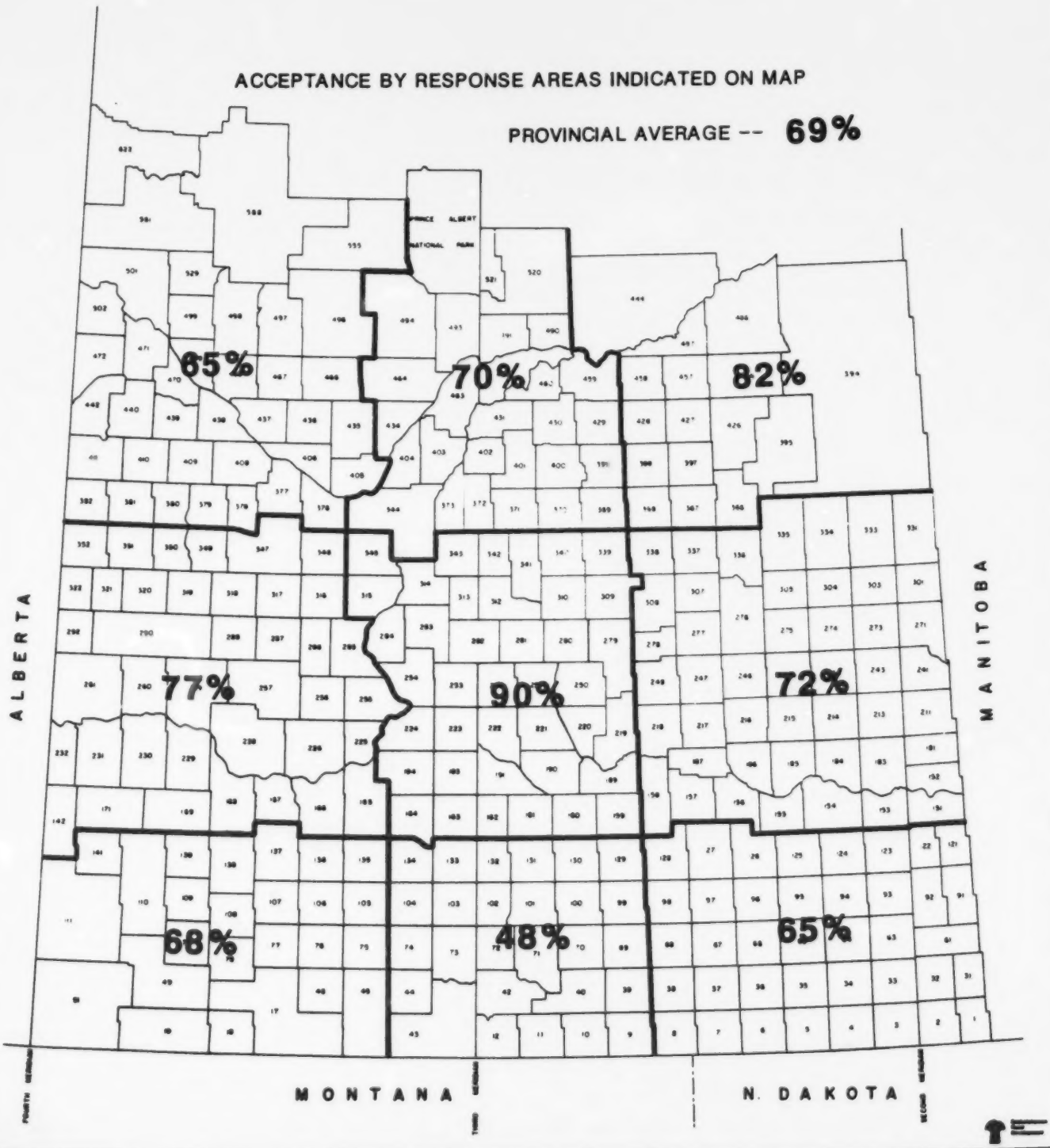
CANADA

TAXATION OF BUILDINGS ON LAND OWNED BY ANOTHER PERSON

PROPOSAL - ASSESS ALL BUILDINGS TO THE OWNER OF THE LAND.

ACCEPTANCE BY RESPONSE AREAS INDICATED ON MAP

PROVINCIAL AVERAGE -- 69%



RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

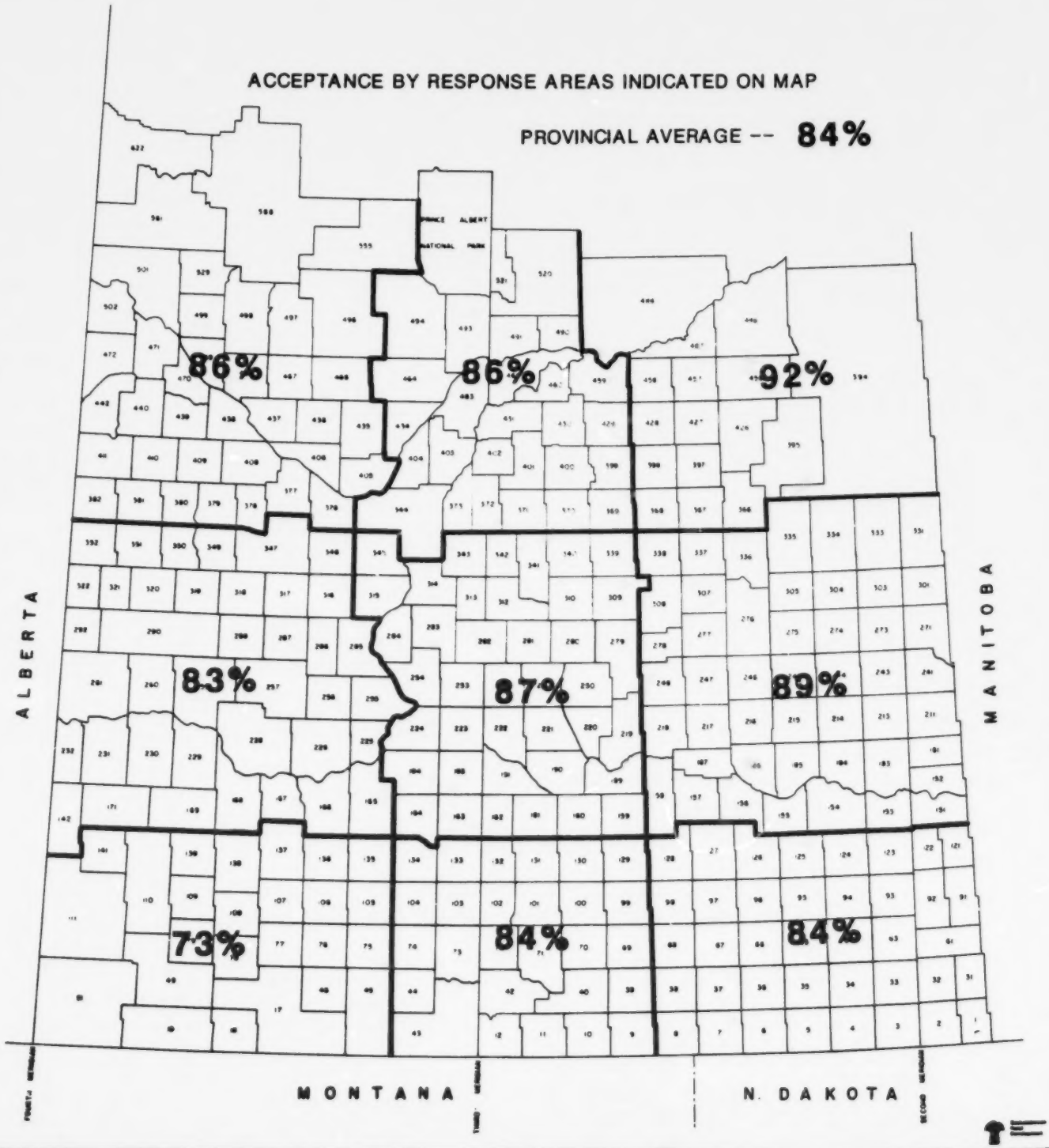
of

SASKATCHEWAN

CANADA

BUSINESS TAXES

PROPOSAL - TAX ALL BUSINESSES EXCEPT FARMING.



RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

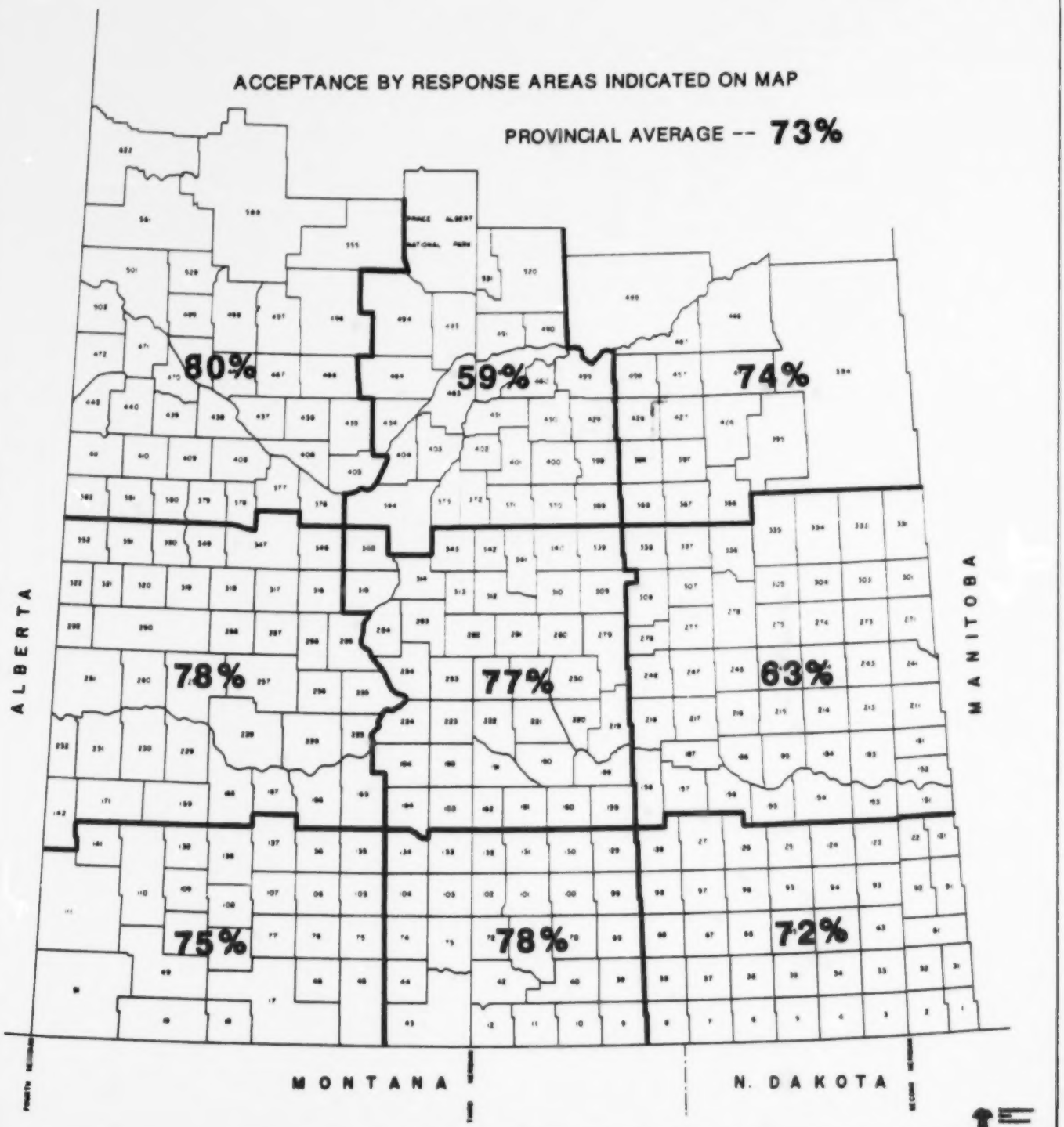
of

SASKATCHEWAN

CANADA

REGULATING STORE HOURS

PROPOSAL - REMOVE AUTHORITY OF COUNCIL TO REGULATE STORE HOURS.



RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

of

SASKATCHEWAN

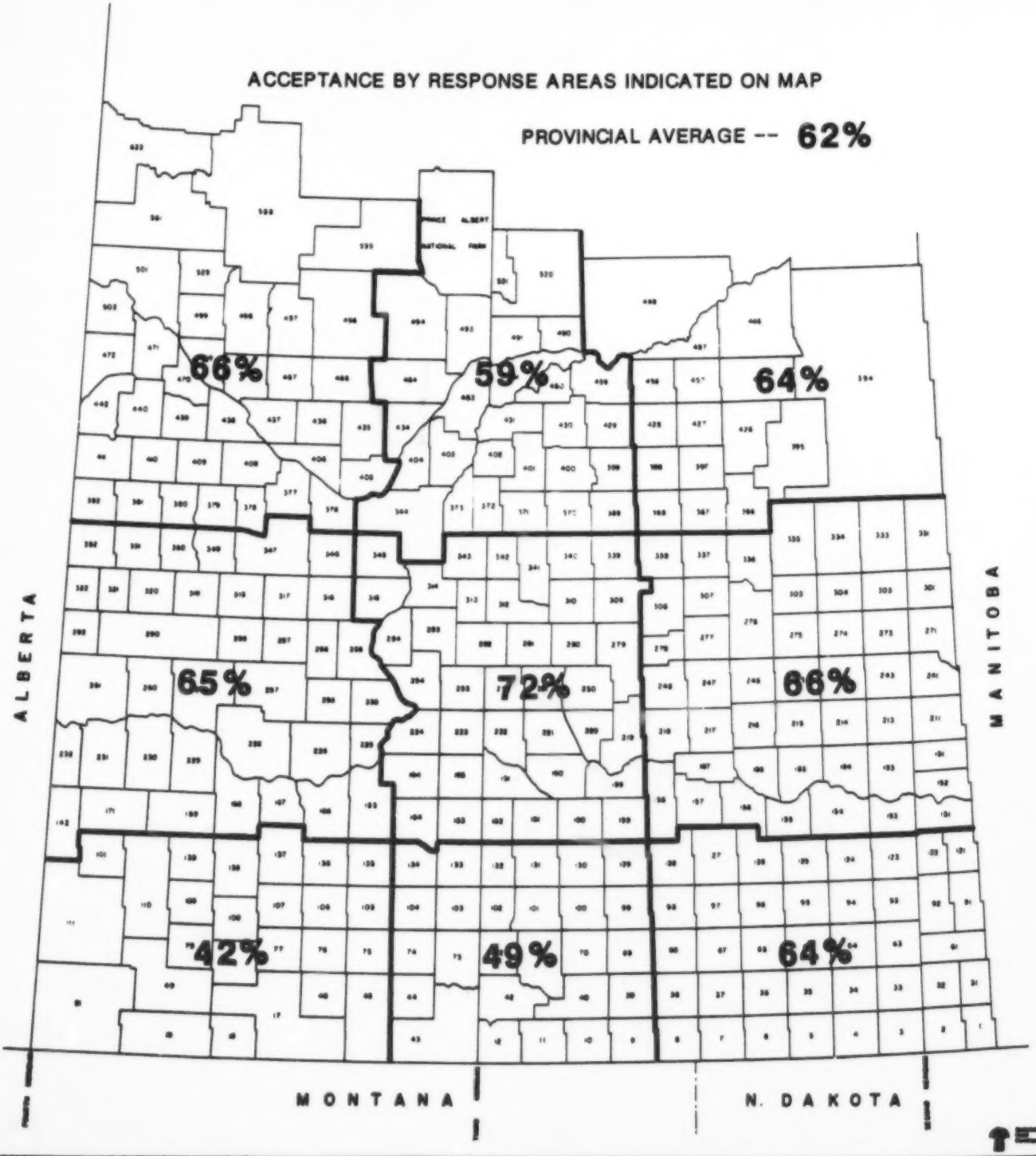
CANADA

BUSINESS TAX

PROPOSAL - REPLACE BUSINESS TAX WITH AN INCREASED ASSESSMENT ON BUILDINGS USED FOR BUSINESS OR COMMERCIAL PURPOSES.

ACCEPTANCE BY RESPONSE AREAS INDICATED ON MAP

PROVINCIAL AVERAGE -- 62%

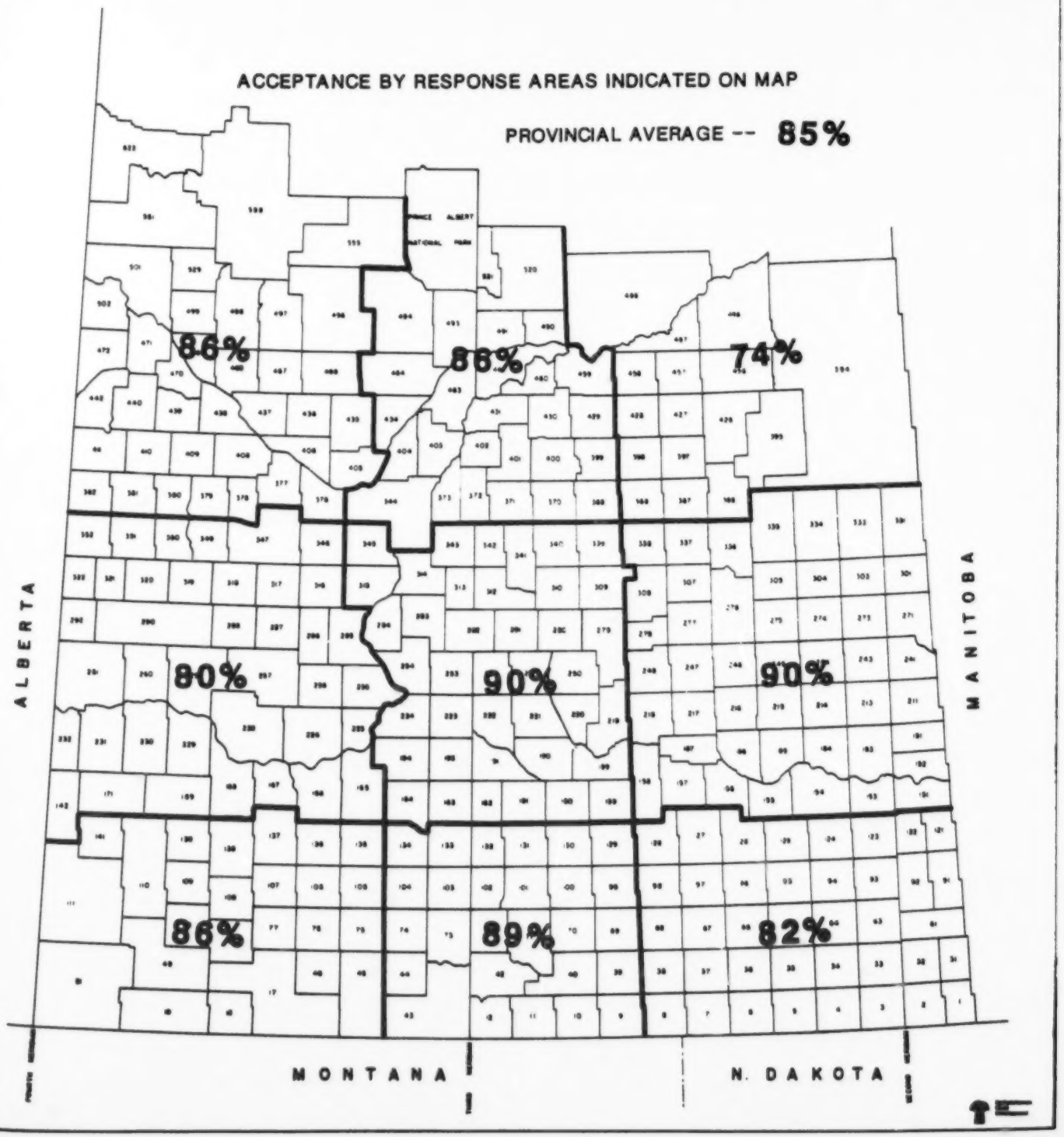


RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES
of
SASKATCHEWAN
CANADA

MINIMUM TAX AND INTENSIVE FARMING TAX

PROPOSAL - MINIMUM TAX ON INTENSIVE FARM OPERATIONS.



RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

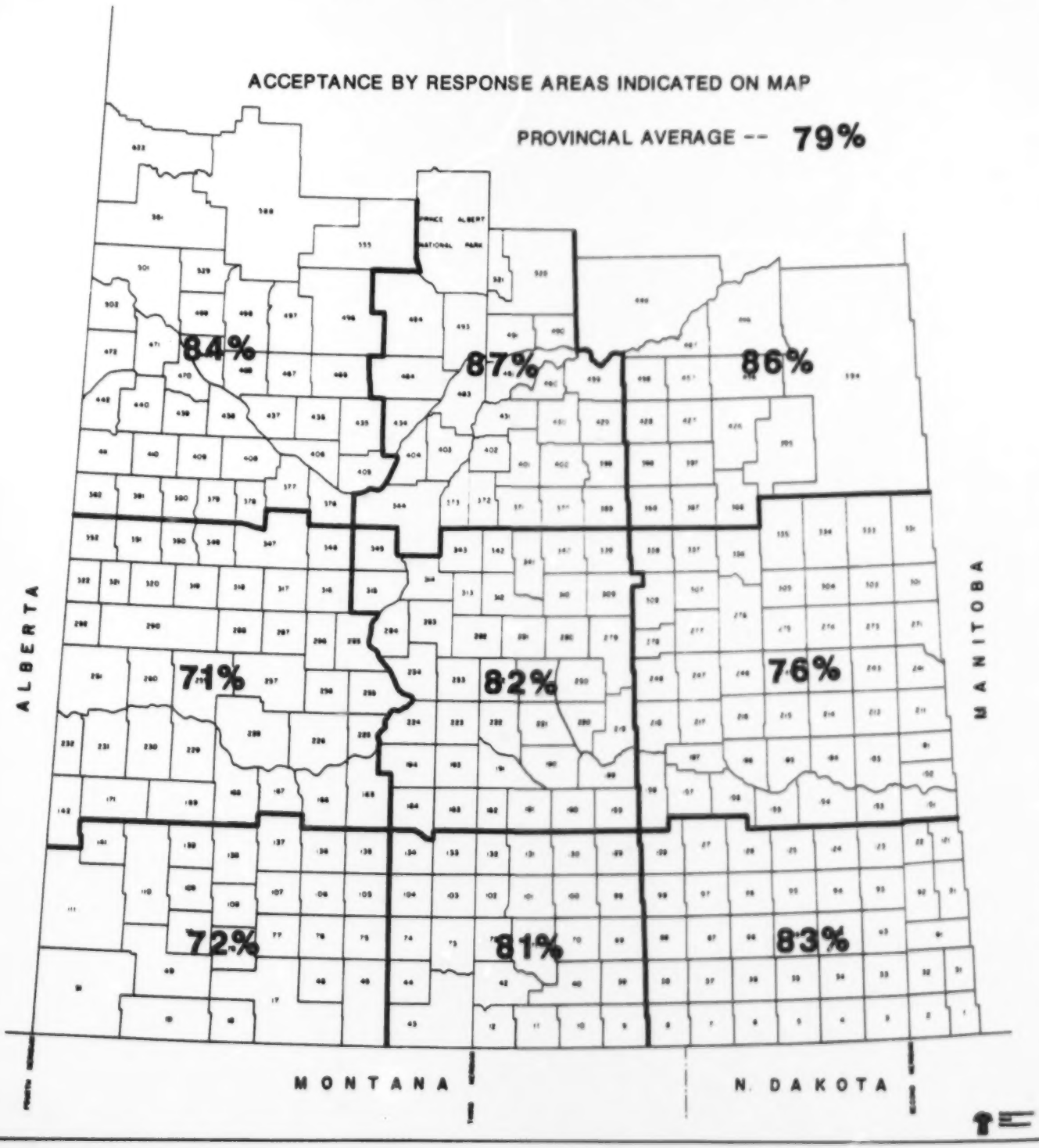
of

SASKATCHEWAN

CANADA

REGIONAL PARKS

PROPOSAL - TAX PRIVATE PROPERTY IN REGIONAL PARKS BUT TRANSFER THIS TAX REVENUE TO THE PARK AUTHORITY.



RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

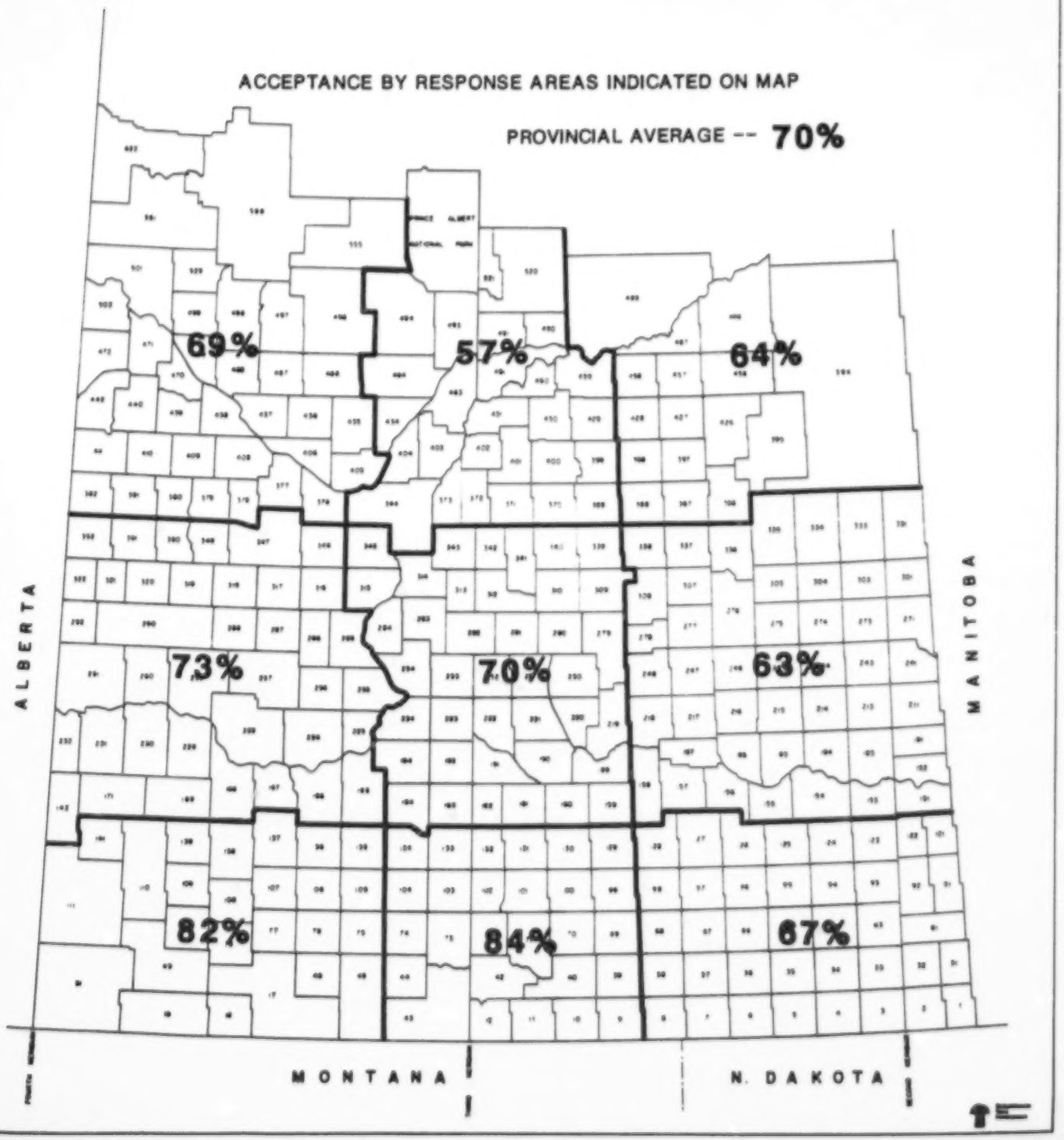
of

SASKATCHEWAN

CANADA

VARIABLE MILL RATES

PROPOSAL - ENABLE COUNCIL TO SET LOWER MILL RATE FOR ALL HAMLETS



RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

of

SASKATCHEWAN

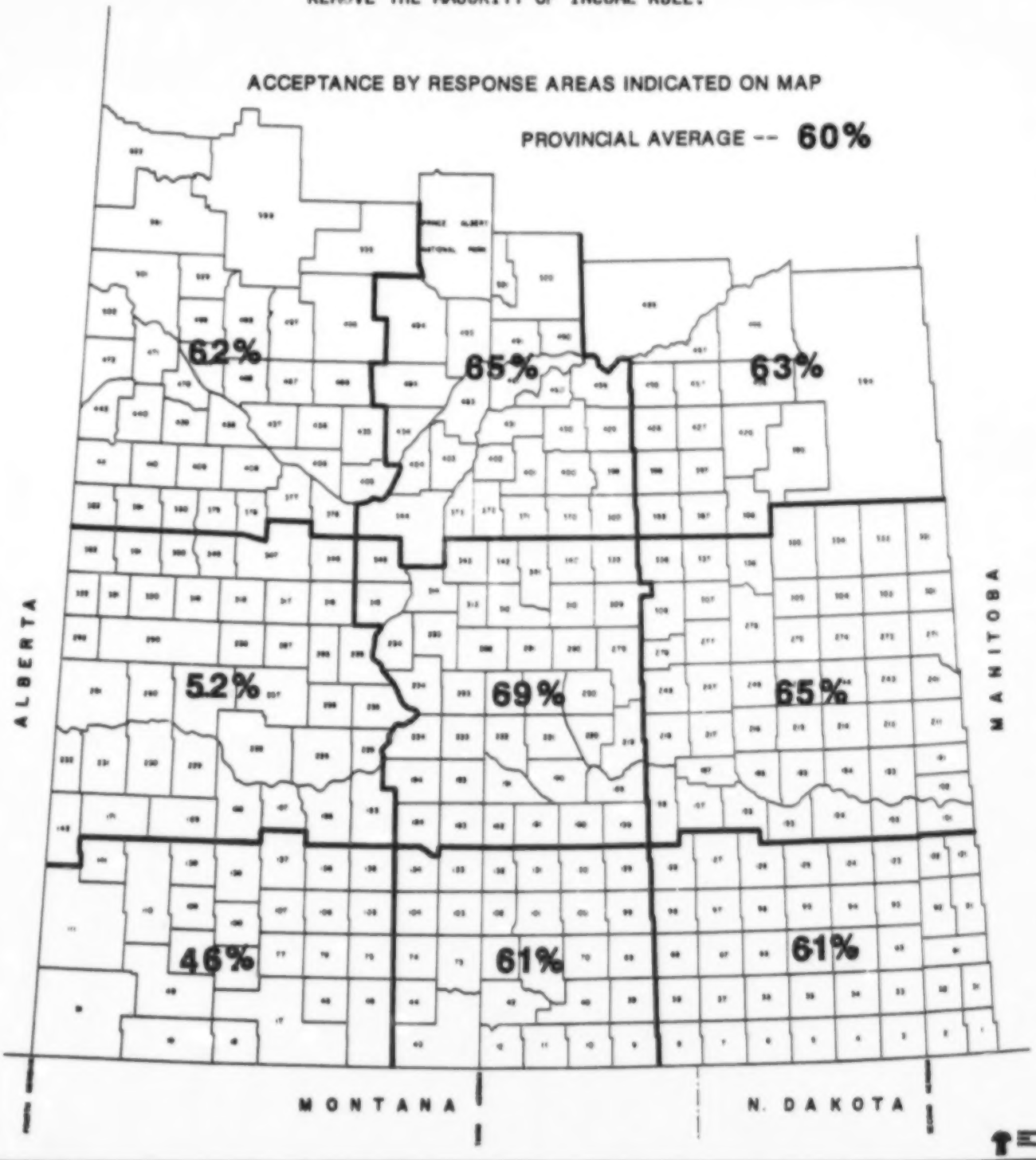
CANADA

TAXATION OF OCCUPIED FARM RESIDENCES

PROPOSAL - TAX EITHER THE RURAL RESIDENCE OR THE FARM LAND DEPENDENT ON WHICH HAS THE HIGHER ASSESSMENT AND REMOVE THE MAJORITY OF INCOME RULE.

ACCEPTANCE BY RESPONSE AREAS INDICATED ON MAP

PROVINCIAL AVERAGE -- 60%



MUNICIPAL BOUNDARIES

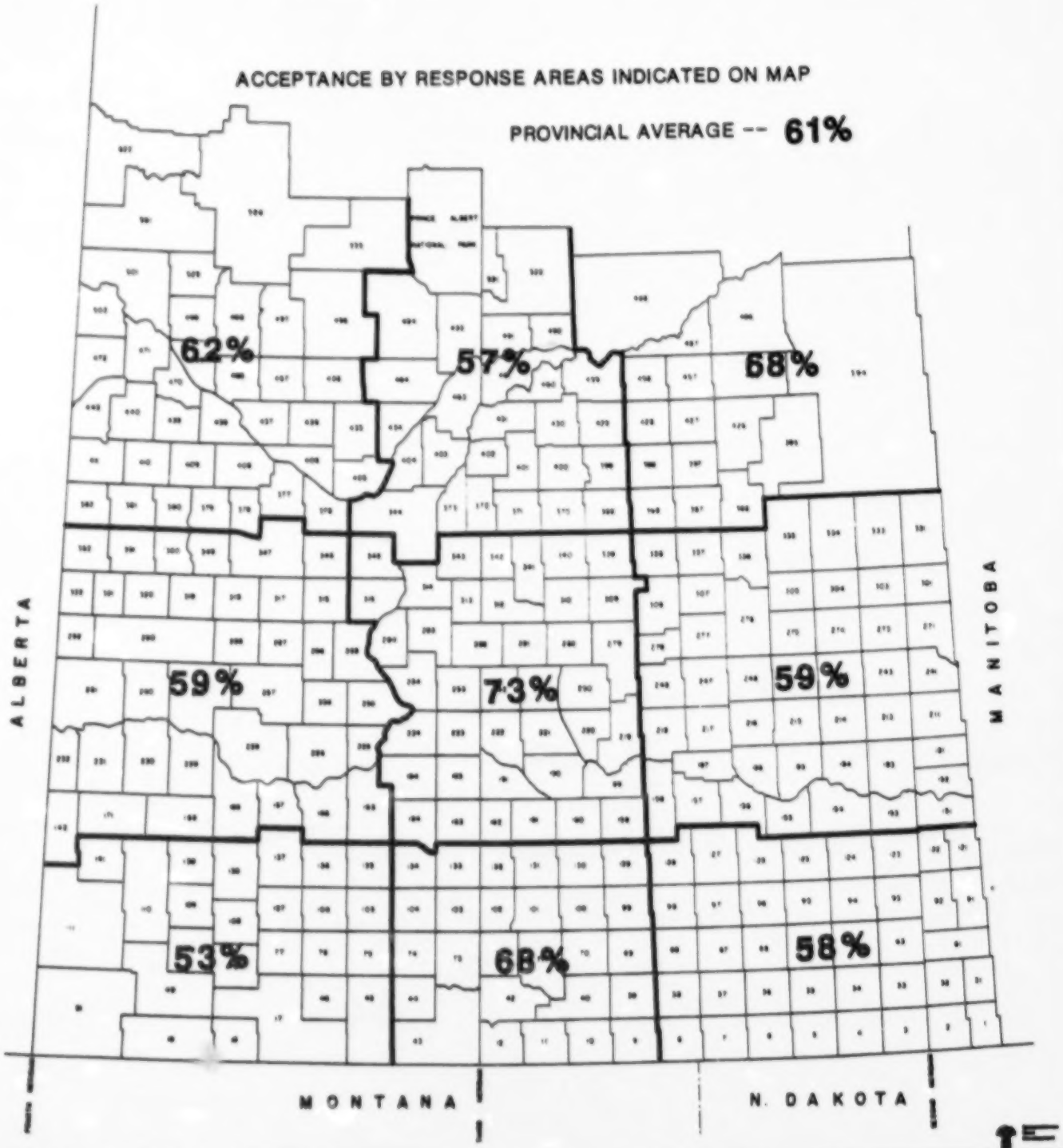
of

SASKATCHEWAN

CANADA

ELECTION PROCEDURES

PROPOSAL - USE OF VOTERS' REGISTRATION FORM IN PLACE OF A VOTERS' LIST.



RURAL LAW REVIEW COMMITTEE QUESTIONNAIRE RESPONSE AREAS

MUNICIPAL BOUNDARIES

of

SASKATCHEWAN

CANADA

FARM BUILDING TAXATION

PROPOSAL - EXEMPT ALL FARM BUILDINGS, EXCEPT COMMERCIAL AND RENTED FARM HOMES FROM TAXATION.

ACCEPTANCE BY RESPONSE AREAS INDICATED ON MAP

PROVINCIAL AVERAGE -- 95%